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TITLE 7—AGRICULTURE

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

[Lemon Reg. 464]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

LIMITATION OF SHIPMENTS

§ 953.571 *Lemon Regulation 464*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 14 F. R. 3612), regulating the handling of lemons grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective as hereinafter set forth. Shipments of lemons, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified in this section was promptly submitted to the Department after an open meeting of the Lemon Administrative Committee on December 3, 1952; such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time of this section.

(b) *Order.* (1) The quantity of lemons grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., December 7, 1952, and ending at 12:01 a. m., P. s. t., December 14, 1952, is hereby fixed as follows:

(i) District 1: 30 carloads;

(ii) District 2: 207 carloads;

(iii) District 3: 13 carloads.

(2) The prorate base of each handler who has made application therefor, as provided in the said amended marketing agreement and order, is hereby fixed in accordance with the prorate base schedule which is attached to Lemon Regulation 463 (17 F. R. 10804) and made a part of this section by this reference.

(3) As used in this section, "handled," "handler," "carloads," "prorate base," "District 1," "District 2" and "District 3," shall have the same meaning as when used in the said amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c)

Done at Washington, D. C., this 4th day of December 1952.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Branch, Production and Marketing Administration.

[F. R. Doc. 52-12979; Filed, Dec. 5, 1952; 8:55 a. m.]

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FEDERAL REGISTER

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[Docket No. AO–197–A1]

PART 995—MILK IN THE LIMA, OHIO, MARKETING AREA

SUBPART—ORDER RELATIVE TO HANDLING

AUTHORITY: §§ 995.1 to 995.111 issued under sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c.

§ 995.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and all of said previous findings and determinations are hereby ratified and affirmed except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Lima, Ohio, on June 23 and 24, 1952, upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Lima, Ohio, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as hereby amended, and all of the terms and conditions thereof will tend to effectuate the declared policy of the act:

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient qauntity of pure and wholesome milk, and be in the public interest; and

(3) The said order, as hereby amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order, effective not later than January 1, 1952. Any delay beyond that date in making this order amending the order effective will tend to disrupt the orderly marketing of milk in the Lima, Ohio, marketing area. The changes effected by this order amending the order do not require persons affected to make substantial or extensive preparation prior to the effective date. Proposed amendments which would result in changes similar to those effected by this order amending the order were considered at a public hearing on June 23–24, 1952; a recommended decision in this proceeding, to which interested parties were given an opportunity to file written exceptions, was issued on October 17, 1952; and a decision in this proceeding was issued on November 25, 1952. Under these circumstances persons affected by this order amending the order have been afforded a reasonable time within which to prepare for its effective date. Therefore, good cause exists, pursuant to section 4 (c) of the Administrative Procedure Act (5 U. S. C. 1000) for making this order amending the order effective.

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing or shipping milk covered by this order, amending the order which is marketed within the Lima, Ohio, marketing area) of more than 50 percent of the milk which is marketed within the said marketing area, refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area, and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order amending the order is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area; and

(3) The issuance of this order amending the order is approved or favored by at least two-thirds of the producers who, during the determined representative period (September 1952), were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Lima, Ohio, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, as set forth below:

DEFINITIONS

§ 995.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C., 1946 ed. 601 et seq.).

§ 995.2 *Secretary.* "Secretary" means the Secretary of Agriculture, or such other officer or employee of the United

States as may be authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 995.3 *U. S. D. A.* "U. S. D. A." means the United States Department of Agriculture.

§ 995.4 *Person.* "Person" means an individual, partnership, corporation, association, or any other business unit.

§ 995.5 *Lima, Ohio, marketing area.* "Lima, Ohio, marketing area" called the "marketing area" in this subpart means the territory within the corporate limits of Lima, in the County of Allen, State of Ohio.

§ 995.6 *Grade A milk.* "Grade A milk" means milk produced by a person holding a dairy farm inspection permit issued by the Lima, Ohio, Board of Health for the production of Grade A milk, which is permitted by such health authority to be disposed of as Grade A milk.

§ 995.7 *Fluid milk plant.* "Fluid milk plant" means a plant or other facilities used in the preparation or processing of Grade A milk all or a portion of which is sold or disposed of in the marketing area as Class I milk.

§ 995.8 *Producer.* "Producer" means any person who produces Grade A milk received (a) at a fluid milk plant, or (b) at any other plant by diversion from a fluid milk plant for the account of a handler or a cooperative association.

§ 995.9 *Producer-milk.* "Producer-milk" means milk produced by one or more producers under the conditions set forth in § 995.8.

§ 995.10 *Handler.* "Handler" means any person who (a) operates a fluid milk plant; (b) receives milk at a plant and either directly or indirectly disposes of milk, skim milk, buttermilk, or flavored milk drink from such plant to a wholesale or retail stop(s) in the marketing area other than a fluid milk plant; or (c) any cooperative association with respect to producer milk diverted by it from a fluid milk plant to any plant not a fluid milk plant for the account of such association.

§ 995.11 *Producer-handler.* "Producer-handler" means any person who is both a producer and a handler and who receives no milk from other producers: *Provided,* That (a) the maintenance, care and management of the dairy animals and other resources necessary to produce milk is the personal enterprise of and at the personal risk of such person in his capacity as a producer and (b) the processing, packaging, and distribution of the milk is the personal enterprise of and at the personal risk of such person in his capacity as a handler.

§ 995.12 *Other source milk.* "Other source milk" means all skim milk and butterfat received other than producer milk, except (a) receipts from a producer-handler, and (b) any non-fluid milk product received and disposed of in the same form.

§ 995.13 *Cooperative association.* "Cooperative Association" means any cooperative marketing association of producers which the Secretary determines, after application by the association: (a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; (b) to have full authority in the sale of milk of its members and to be engaged in making collective sales or marketing milk or its products for its members; and (c) to have all of its activities under the control of its members.

MARKET ADMINISTRATOR

§ 995.20 *Designation.* The agency for the administration of this subpart shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal by the Secretary.

§ 995.21 *Powers.* The market administrator shall have the following powers with respect to this subpart:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

§ 995.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this subpart, including, but not limited to, the following:

(a) Within 30 days following the date on which he enters upon his duties, execute and deliver to the Secretary a bond effective as of the date on which he enters upon such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of the funds provided by § 995.76:

(1) The cost of his bond and of the bonds of his employees;

(2) His own compensation; and

(3) All other expenses, except those incurred under § 995.77, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for herein, and upon request by the Secretary surrender the same to such other person as the Secretary may designate;

(f) Publicly announce, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 10 days after the day upon which he is required to perform such acts, has not made (1) reports pursuant to § 995.30 or § 995.31, or (2) payments pursuant to §§ 995.70, 995.71, 995.73, 995.76, 995.77, 995.78, or 995.80;

(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(h) Audit records of all handlers to verify the reports and payments required pursuant to the provisions of this subpart; and

(i) Publicly announce, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the prices determined for each month as follows:

(1) On or before the 5th day after the end of such month the minimum prices for skim milk and butterfat for each class computed pursuant to §§ 995.51, and 995.52 and the butterfat differential computed pursuant to § 995.75; and

(2) On or before the 12th day after the end of such month, the uniform price computed pursuant to § 995.61.

(j) Prepare and disseminate, for the benefit of producers, consumers, and handlers, such statistics and information concerning the operation of this subpart as do not reveal confidential information.

REPORTS, RECORDS AND FACILITIES

§ 995.30 *Monthly reports of receipts and utilization.* On or before the 7th day after the end of each month, each handler, except a producer-handler, shall report to the market administrator, in the detail and on forms prescribed by the market administrator, the following information with respect to all milk received from producers, all milk, skim milk, cream, and milk products received from other handlers, all other source milk received during the month at his fluid milk plant(s) (in the case of a handler not operating a fluid milk plant, all other source milk received), and milk diverted pursuant to §§ 995.8 and 995.82:

(a) The quantities of butterfat and skim milk contained in such receipts, and their sources;

(b) The utilization of such receipts; and

(c) Such other information with respect to such receipts and utilization as the market administrator may prescribe.

§ 995.31 *Other reports.* Each handler shall report to the market administrator, in the detail and on forms prescribed by the market administrator, as follows, except that each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may request: On or before the 22d day after the end of each month his producer payroll for the month, which shall show (a) the pounds of milk and the percentages of butterfat contained therein received from each producer; (b) the amounts and dates of payments to each producer or cooperative association; and (c) the nature and amount of each deduction or charge involved in the payments referred to in paragraph (b) of this section.

§ 995.32 *Records and facilities.* Each handler shall maintain, and make available to the market administrator during the usual hours of business, such ac-

counts and records of all of his operations and such facilities as, in the opinion of the market administrator, are necessary to verify reports, or to ascertain the correct information with respect to (a) the receipts and utilization of all skim milk and butterfat received, including all milk products received and disposed of in the same form; (b) the weights and tests for butterfat, and for other contents of all milk and milk products handled; and (c) payments to producers and cooperative associations.

§ 995.33 *Retention of records.* All books and records required under this subpart to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: *Provided,* That if, within such three-year period, the market administrator notifies a handler in writing that the retention of such books and records or of specified books and records is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. The market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 995.40 *Basis of classification.* All skim milk and butterfat (in any form) received at a fluid milk plant as (a) producer milk, (b) a transfer from another fluid milk plant, and (c) other source milk, shall be classified in the classes set forth in § 995.41.

§ 995.41 *Classes of utilization.* Subject to the conditions set forth in §§ 995.42, 995.43, 995.44, and 995.45, the classes of utilization of milk shall be:

(a) Class I milk shall be all skim milk and butterfat disposed of (1) in fluid form (other than as livestock feed) as milk, skim milk, buttermilk, flavored milk, flavored milk drinks, cultured milk products, concentrated milk, and sweet or sour cream, eggnog and any cream product in fluid form having more than 8 percent butterfat; and (2) as all skim milk and butterfat not accounted for as Class II milk.

(b) Class II milk shall be all skim milk and butterfat accounted for as (1) used to produce a product other than those specified in paragraph (a) of this section, (2) having been dumped or disposed of for livestock feeding, (3) actual plant shrinkage of skim milk and butterfat received in producer milk but not to exceed 2 percent of such receipts of skim milk and butterfat, respectively, and (4) actual plant shrinkage of skim milk and butterfat in other source milk received: *Provided,* That if producer milk is utilized as milk, skim milk, or cream in conjunction with other source milk, the shrinkage allocated to each shall be computed pro rata according to the proportions of the volume of skim milk and butterfat, respectively, received from each such source to their total.

§ 995.42 *Interplant transfers.* Skim milk and butterfat disposed of in the form of milk, cream, or skim milk by a handler to any milk processing or milk manufacturing plant, including any other fluid milk plant, shall be Class I milk, unless (a) Class II use is indicated in writing to the market administrator by both the transferring handler and the receiver on or before the 7th day after the end of the month within which such disposition was made, and (b) the receiver maintains books and records showing the utilization of all skim milk and butterfat at his plant which are made available if requested by the market administrator for the verification of such reported utilization: *Provided,* That, in no event shall the amount so reported be greater than the total amount so used by the receiver.

§ 995.43 *Responsibility of handlers and reclassification of milk.* (a) All skim milk and butterfat shall be classified as Class I milk unless the handler who first received such skim milk or butterfat proves to the market administrator that such skim milk or butterfat should be classified otherwise.

(b) Any skim milk or butterfat classified in one class shall be reclassified if used or reused by such handler or by another handler in another class.

§ 995.44 *Computation of skim milk and butterfat in each class.* For each month the market administrator shall correct for mathematical and for obvious errors the report submitted by each handler and compute the total pounds of skim milk and butterfat, respectively, in Class I milk and Class II milk for such handler.

§ 995.45 *Allocation of butterfat classified.* The market administrator shall determine the classification of butterfat in producer milk as follows:

(a) Subtract from the total pounds of butterfat in Class II milk the total pounds of butterfat shrinkage pursuant to § 995.41 (b) (3) and (4).

(b) Subtract from the pounds of butterfat remaining in each class the pounds of butterfat received from other handlers and used in such class.

(c) Subtract from the pounds of butterfat remaining in each class, in sequence beginning with Class II milk, the pounds of butterfat in other source milk other than butterfat shrinkage in other source milk subtracted pursuant to paragraph (a) of this section.

(d) Add to the pounds of butterfat remaining in Class II milk the pounds of butterfat shrinkage in producer milk subtracted pursuant to paragraph (a) of this section; and if the remaining pounds of butterfat in all classes exceed the pounds of butterfat received in producer milk, subtract such excess from the remaining pounds of butterfat in each class, in sequence beginning with Class II milk. The pounds of butterfat remaining shall be the pounds in each class allocated to producer milk.

§ 995.46 *Allocation of skim milk classified.* Skim milk shall be allocated to each class in accordance with the same procedure as outlined for butterfat in § 995.45.

MINIMUM PRICES

§ 995.50 *Basic formula price.* The basic formula price per hundredweight of milk to be used in computing the minimum price for Class I milk for the month as provided in this section shall be the highest of the prices determined pursuant to paragraphs (a) and (b), of this section:

(a) The market administrator shall compute (to the nearest tenth of a cent) an average of the basic (or field) prices per hundredweight reported to have been paid, or to be paid, for milk of 3.5 percent butterfat content received from farmers during such month at the following plants or places for which prices are reported to the market administrator by the U. S. D. A. or by the companies listed below:

Company and Location

Borden Co., Black Creek, Wis.
Borden Co., Greenville, Wis.
Borden Co., Mount Pleasant, Mich.
Borden Co., New London, Wis.
Borden Co., Orfordville, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Jefferson, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Sparta, Mich.
Pet Milk Co., Belleville, Wis.
Pet Milk Co., Coopersville, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Wayland, Mich.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

(b) The price per hundredweight computed by the market administrator by adding together the plus amounts calculated pursuant to subparagraphs (1) and (2) of this paragraph:

(1) From the simple average of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the U. S. D. A. during the month, subtract 3 cents, add 20 percent of the resulting amount, and then multiply by 3.5; and

(2) From the simple average of the weighted averages of carlot prices per pound of spray and roller process nonfat dry milk solids in barrels for human consumption f. o. b. manufacturing plants in the Chicago area as published for each month by the U. S. D. A., deduct 5.5 cents, and multiply the result by 8.2.

§ 995.51 *Class I milk prices.* The minimum prices per hundredweight to be paid by each handler for skim milk and butterfat in producer milk received at his fluid milk plant during the month, which is classified as Class I milk, shall be determined by the market administrator as follows:

(a) To the basic formula price add the following amounts for the months indicated:

April, May, June	$0.85
February, March, July	1.15
All others	1.45

(b) Add together the amounts determined in § 995.50 (c) (1) and (2), di-

vide the sum into the amount determined in § 995.50 (c) (1) and multiply by 100.

(c) Multiply the price determined in paragraph (a) of this section by the percent determined in paragraph (b) of this section and then divide by 0.035. The resulting amount shall be the Class I butterfat price per hundredweight.

(d) From the price determined in paragraph (a) of this section subtract the amount computed in paragraph (c) of this section times 0.035, and divide the remainder by 0.965. The resulting amount shall be the Class I skim milk price per hundredweight.

§ 995.52 *Class II milk prices.* The minimum prices per hundredweight to be paid by each handler for skim milk and butterfat in producer milk received at his fluid milk plant during the month, which is classified as Class II milk, shall be determined by the market administrator as follows:

(a) The market administrator shall compute (to the nearest tenth of a cent) an average of the basic (or field) prices per hundredweight reported to have been paid, or to be paid, for milk of 3.5 percent butterfat content received from farmers during such month at the following plants or places for which prices have been reported to the market administrator by the U. S. D. A. or by the companies listed below:

Company and Location

Defiance Milk Products Co., Defiance, Ohio.
Pet Milk Co., Coldwater, Ohio.
Nestles Milk Products Co., (uninspected milk price), Marysville, Ohio.
Fisher Dairy and Cheese Co., Wapakoneta, Ohio.
Swift and Co., Lima, Ohio.

(b) Multiply the price computed in paragraph (a) of this section by the percentage computed in § 995.51 (b), and then divide by .035. The resulting amount shall be Class II butterfat price per hundredweight.

(c) Subtract from the price computed in paragraph (a) of this section the amount computed in paragraph (b) of this section times 0.035 and divide the remainder by 0.965. The resulting amount shall be the Class II skim milk price per hundredweight.

DETERMINATION OF UNIFORM PRICE

§ 995.60 *Value of producer milk.* Except as provided in § 995.80 the value of producer milk received by each handler during the month shall be the sum of money computed by the market administrator by multiplying the hundredweight of skim milk and butterfat in each class by the applicable class prices and adding together the resulting amounts, and adding or subtracting, as the case may be, the amount necessary to correct errors in classification for previous months as disclosed by audit of the market administrator: *Provided,* That, if a handler after the substraction of other source milk and receipts from other handlers, has disposed of skim milk or butterfat which on the basis of his reports for the month, pursuant to § 995.30, has been credited to his producers as having been received from them, there shall be added to the value of his producer milk a further amount computed by multiplying the pounds in each class as subtracted pursuant to § 995.45 (d) and § 995.46 by the applicable class price.

§ 995.61 *Computation of uniform price.* For each month the market administrator shall compute a uniform price per hundredweight of producer milk by:

(a) Combining into one total the values computed pursuant to §§ 995.60 and 995.80 for all handlers who reported pursuant to § 995.30 for such month, except those in default in payments required pursuant to §§ 995.73 and 995.80 for the preceding month;

(b) Subtracting, if the weighted average butterfat test of all producer milk represented by the amounts included under paragraph (a) of this section is greater than 3.5 percent or adding, if the weighted average butterfat test of such milk is less than 3.5 percent, an amount computed by multiplying the total pounds of butterfat represented by the difference of such weighted average butterfat test from 3.5 percent, by the butterfat differential computed pursuant to § 995.75 multiplied by 10;

(c) Adding or subtracting, as the case may be, the amount necessary to correct errors in classification for previous months as disclosed by audit of the market administrator;

(d) Adding an amount representing not less than one-half of the unobligated balance in the producer-settlement fund;

(e) Dividing the result by the total hundredweight of producer milk represented by the amounts computed pursuant to § 995.60; and

(f) Subtracting not less than 4 cents nor more than 5 cents.

§ 995.62 *Notification.* On or before the 12th day after the end of each month, the market administrator shall mail to each handler, at his last known address, a statement showing for such month:

(a) The amount and value of his producer milk in each class;

(b) The uniform price computed pursuant to § 995.61, and the butterfat differential computed pursuant to § 995.75;

(c) The amount to be paid by such handler to the producer-settlement fund pursuant to § 995.73 or § 995.80, or the amount due such handler from the producer-settlement fund pursuant to § 995.74, as the case may be; and

(d) The amounts to be paid by such handler pursuant to §§ 995.76 and 995.77.

PAYMENTS

§ 995.70 *Time and method of final payment.* On or before the 18th day after the end of each month, each handler shall pay to each producer, or to a cooperative association with respect to milk which was caused to be delivered to him by such association either directly or from producers who have authorized such association to collect payment for them, for milk received from such producer or so delivered by such cooperative association, respectively, during such month not less than the uniform price adjusted by the butterfat differential pursuant to § 995.75, less the amount of payment made pursuant to § 995.71.

§ 995.71 *Partial payment.* On or before the last day of each month, each handler shall pay to each producer, or to a cooperative association authorized to collect payment, not less than the uniform price for the preceding month for milk received from such producer or caused to be delivered to such handler by such cooperative association during the first 15 days of such month: *Provided,* That in the event any producer discontinues shipping to such handler during any month, such partial payments shall not be made and full payment for all milk received from such producer during such month shall be made on the 18th day after the end of such month pursuant to § 995.70.

§ 995.72 *Producer-settlement fund.* The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to §§ 995.73 and 995.80, and out of which he shall make all payments to handlers pursuant to § 995.74.

§ 995.73 *Equalization payments to the producer-settlement fund.* On or before the 14th day after the end of each month each handler shall make full payment to the market administrator of any amount by which the total value of his milk for such month is greater than the sum required to be paid by such handler pursuant to §995.70.

§ 995.74 *Equalization payments out of the producer-settlement fund.* On or before the 16th day after the end of each month, the market administrator shall pay to each handler any amount by which the sum required to be paid by such handler pursuant to § 995.70 is greater than the total value of the milk of such handler for such month, less any unpaid obligations of the handler: *Provided,* That if the balance in the producer-settlement fund is insufficient to make all payments to such handlers pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds become available.

§ 995.75 *Producer butterfat differential.* In making payments pursuant to § 995.70 the uniform price shall be adjusted for each one-tenth of one percent of butterfat content in the milk of each producer above or below 3.5 percent, as the case may be, by a butterfat differential (computed to the nearest tenth of a cent) computed as follows: Multiply by 1.3 the average daily wholesale price per pound of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the U. S. D. A. during the month, and divide the result by 10.

§ 995.76 *Expense of administration.* As his pro rata share of expense incurred pursuant to § 995.22 (d), each handler shall pay the market administrator, on or before the 14th day after the end of each month, 3 cents per hundredweight of milk, or such amount not to exceed 3 cents as the Secretary may from time to

time prescribe, with respect to receipts during such month, of (a) producer milk (including any milk of such handler's own production), and (b) other source milk classified as Class I milk: *Provided,* That a handler who receives only other source milk shall make such payments with respect to all skim milk and butterfat disposed of within the marketing area during such month as any item included in Class I milk.

§ 995.77 *Marketing services.* (a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers pursuant to § 995.70, with respect to all milk received each month from each producer (except milk of such handler's own production) at a plant not operated by a cooperative association of which such producer is a member, shall deduct 6 cents per hundredweight of milk, or such amount not to exceed 6 cents as the Secretary may from time to time prescribe, and on or before the 18th day after the end of such month shall pay such deductions to the market administrator. Such moneys shall be expended by the market administrator to verify weights, samples, and tests of milk of such producers and to provide such producers with market information, such services to be performed by the market administrator, or by an agent engaged by and responsible to him.

(b) In the case of producers whose milk is received at a plant not operated by a cooperative association of which such producers are members, and for whom a cooperative association is actually performing the services described in paragraph (a) of this section, as determined by the market administrator, each handler shall make, in lieu of the deductions specified in paragraph (a) of this section, such deductions from payments required pursuant to § 995.70 as may be authorized by the membership agreement or contract between such cooperative association and such producers, and shall pay such deductions on or before the 18th day after the end of such month to the cooperative association rendering such services of which such producers are members.

§ 995.78 *Errors in payments.* Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors resulting in moneys due (a) the market administrator from such handler, or such handler from the market administrator, pursuant to §§ 995.73, 995.74, 995.76, 995.77, or 995.80, or (b) any producer or cooperative association from such handler pursuant to § 995.70 the market administrator shall promptly notify such handler of any such amount due; and payment thereof shall be made on or before the next date for making payment set forth in the provision under which such error occurred, following the 5th day after such notice.

APPLICATION OF PROVISIONS

§ 995.80 *Milk subject to special payments.* (a) Milk received by a handler the handling of which is subject to the pricing and payment provisions of any other Federal milk marketing order issued pursuant to the act shall not be subject to the pricing and payment provisions of this section, except that for any month for which the Class I milk price determined pursuant to § 995.51 (a) exceeds the corresponding minimum Class I milk price (adjusted by any applicable location differential) provided by such other order, the handler shall pay into the producer-settlement fund on or before the 14th day after the end of each month, with respect to all skim milk and butterfat disposed of within the marketing area during such month as any item included in Class I milk, an amount computed by the market administrator as follows: From the total value of such skim milk and butterfat at the prices determined pursuant to § 995.51 (c) and (d) subtract the total value of such skim milk and butterfat at prices computed by applying the procedures prescribed in § 995.51 (b), (c), and (d) to the highest Class I milk price provided by such other order.

(b) Any handler who receives only other source milk, which milk is not subject to the pricing and payment provisions of any other Federal milk marketing order issued pursuant to the act, shall pay into the producer-settlement fund on or before the 14th day after the end of each month a sum computed by the market administrator by multiplying the hundredweight of all skim milk and butterfat disposed of by such handler within the marketing area as any item included in Class I milk during such month by the respective differences between the prices for skim milk and butterfat in Class I milk and Class II milk for such month.

§ 995.81 *Milk caused to be delivered by cooperative associations.* Milk referred to as received from producers by a handler shall include milk of producers caused to be delivered directly from the farm to the fluid milk plant of such handler by a cooperative association which is authorized to collect payment for such milk.

§ 995.82 *Milk diverted.* (a) Producer milk diverted by an operator of a fluid milk plant from such plant to a plant not a fluid milk plant shall be deemed to have been received by the fluid milk plant from which such milk was diverted.

(b) Producer milk diverted by a cooperative association from a fluid milk plant to a plant not a fluid milk plant shall be deemed to have been received by such association.

§ 995.83 *Producer-handlers.* Sections 995.40 through 995.46, 995.50 through 995.52, 995.60 through 995.62 and 995.70 through 995.78 shall not apply to the milk of a producer-handler.

TERMINATION OF OBLIGATIONS

§ 995.90 *Termination of obligations.* (a) The obligation of any handler to pay money required to be paid under the terms of this subpart shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the month during which the market administrator receives the handler's report of utilization of the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to a cooperative association, the name of such producers or association, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this subpart, to make available to the market administrator or his representatives all books or records required by this subpart to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the month following the month during which such books and records pertaining to such obligation are made available to the market administrator or his representative.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this subpart shall terminate two years after the end of the month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 995.100 *Effective time.* The provisions of this subpart, or of any amendment to this subpart, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 995.101 *When suspended or terminated.* Whenever the Secretary finds this subpart or any provision of this subpart obstructs or does not tend to effectuate the declared policy of the act, he shall terminate or suspend the operation of this subpart, or any such provision of this subpart.

§ 995.102 *Continuing obligations.* If, upon the suspension or termination of any or all provisions of this subpart, there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 995.103 *Liquidation.* Upon the suspension or the provisions of this subpart, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 995.110 *Agents.* The Secretary may by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this subpart.

§ 995.111 *Separability of provisions.* If any provision of this subpart, or its application to any person or circumstances, is held invalid the application of such provisions, and of the remaining provisions of this subpart, to other persons or circumstances shall not be effected thereby.

Issued at Washington, D. C., this 3d day of December 1952, to be effective on and after the 1st day of January 1953.

[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 52-12943; Filed, Dec. 5, 1952; 8:52 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter A—Income and Excess Profits Taxes

[T. D. 5951; Regs. 111]

PART 29—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

ALTERNATIVE TAX ON CORPORATIONS IN CASE OF CAPITAL GAINS; TREATMENT OF CAPITAL GAINS AND LOSSES

On August 8, 1952, notice of proposed rule making with respect to amendments to conform Regulations 111 to section 123 (relating to the alternative tax on corporations in the case of capital gains and losses) and section 322 (relating to the treatment of capital gains and losses) of the Revenue Act of 1951 (82d Cong., 1st Sess.), approved October 20, 1951, was published in the FEDERAL REGISTER (17 F. R. 7249). No objection to the rules proposed having been received, the amendments of Regulations 111 (26 CFR Part 29) set forth below are hereby adopted.

PARAGRAPH 1. There is inserted immediately preceding § 29.22 (n)-1, as added by Treasury Decision 5425, approved December 29, 1944, the following:

SEC. 322. CAPITAL GAINS AND LOSSES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(c) *Technical amendments*—(1) *Amendment of section 22 (n).* Section 22 (n) (relating to the definition of adjusted gross income) is hereby amended by striking out the word "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following new paragraph:

(7) *Long-term capital gains.* The deduction allowed by section 23 (ee).

* * * * *

(d) *Effective date.* The amendments made by this section shall be applicable only with respect to taxable years beginning on or after the date of the enactment of this act. * * *

PAR. 2. Section 29.22 (n)-1, as added by Treasury Decision 5425, is amended as follows:

(A) By striking the word "and" immediately preceding "(6)" in paragraph (c) thereof.

(B) By striking the period at the end of paragraph (c) and inserting in lieu of such period a semicolon and the following: "and (7) for taxable years beginning on or after October 20, 1951, the deduction for long-term capital gains allowed by sections 23 (ee) and 117 (b)."

PAR. 3. There is inserted immediately after § 29.23 (bb)-1, as added by Treasury Decision 5873, approved December 7, 1951, the following:

SEC. 322. CAPITAL GAINS AND LOSSES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(a) *Treatment of long-term capital gains and losses*—(1) *Amendment of section 23.* Section 23 (relating to deductions from gross income) is hereby amended by adding at the end thereof the following new subsection:

(ee) *Long-term capital gains.* In the case of a taxpayer other than a corporation, the deduction for long-term capital gains provided in section 117 (b).

* * * * *

(d) *Effective date.* The amendments made by this section shall be applicable only with respect to taxable years beginning on or after the date of the enactment of this act. * * *

PAR. 4. There is inserted immediately preceding § 29.117-1 the following:

SEC. 123. COMPUTATION OF ALTERNATIVE CAPITAL GAINS TAX (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

Section 117 (c) (1) (relating to alternative tax on corporations) is hereby amended by striking out the second paragraph and inserting in lieu thereof the following:

(A) A partial tax shall first be computed upon the net income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted.

(B) There shall then be ascertained an amount equal to 25 per centum of such excess, except that in the case of any taxable year beginning after March 31, 1951, and before April 1, 1954, there shall be ascertained an amount equal to 26 per centum of such excess.

(C) The total tax shall be the partial tax computed under subparagraph (A) plus the amount computed under subparagraph (B).

SEC. 322. CAPITAL GAINS AND LOSSES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(a) *Treatment of long-term capital gains and losses.*

* * * * *

(2) *Amendment of section 117 (b).* Section 117 (b) (relating to treatment of long-term capital gains and losses) is hereby amended to read as follows:

(b) *Deduction from gross income.* In the case of a taxpayer other than a corporation, if for any taxable year the net long-term capital gain exceeds the net short-term capital loss, 50 per centum of the amount of such excess shall be a deduction from gross income. In the case of an estate or trust, the deduction shall be computed by excluding the portion (if any), of the gains for the taxable year from sales or exchanges of capital assets, which, under section 162 (b) or (c), is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets.

(b) *Alternative tax.* Section 117 (c) (2) (relating to alternative tax) is hereby amended to read as follows:

(2) *Other taxpayers.* If for any taxable year the net long-term capital gain of any taxpayer (other than a corporation) exceeds the net short-term capital loss, there shall be levied, collected, and paid, in lieu of the tax imposed by sections 11 and 12 (or, in the case of certain tax-exempt trusts, in lieu of the tax imposed by section 421), a tax determined as follows, if and only if such tax is less than the tax imposed by such sections:

(A) A partial tax shall first be computed upon the net income reduced by an amount equal to 50 per centum of such excess, at the rates and in the manner as if this subsection had not been enacted.

(B) There shall then be ascertained an amount equal to 25 per centum of the excess of the net long-term capital gain over the net short-term capital loss. In the case of any taxable year beginning after October 31, 1951, and before November 1, 1953, there shall be ascertained, in lieu of the amount computed under the preceding sentence, an amount equal to 26 per centum of the excess of the net long-term capital gain over the net short-term capital loss.

(C) The total tax shall be the partial tax computed under subparagraph (A) plus the amount computed under subparagraph (B).

(c) *Technical amendments.*

* * * * *

(2) *Amendment of section 117 (a).* Paragraphs (2) and (4) of section 117 (a) (relating to definitions of short-term capital gain and long-term capital gain) are each hereby amended by striking out "net income" and inserting in lieu thereof "gross income."

(3) *Amendment of section 117 (j).* Section 117 (j) (2) (A) (relating to gains and losses from involuntary conversion and from the sale or exchange of certain property used in the trade or business) is hereby amended to read as follows:

(A) In determining under this paragraph whether gains exceed losses, the gains described therein shall be included only if and to the extent taken into account in computing gross income and the losses described therein shall be included only if and to the extent taken into account in computing net income, except that subsection (d) shall not apply.

* * * * *

(d) *Effective date.* The amendments made by this section shall be applicable only with respect to taxable years beginning on or after the date of the enactment of this act. In determining under section 117 (e) of the Internal Revenue Code the amount of the carryover to a taxable year beginning on or after such date, of the capital loss for a taxable year beginning before such date, such amendments shall not affect the computation of the amount of the net capital loss or of the net capital gain for any taxable year beginning before such date.

PAR. 5. Section 29.117–1, as amended by Treasury Decision 5893, approved April 4, 1952, is further amended as follows:

(A) By striking the second sentence of paragraph (b) thereof and inserting in lieu thereof the following: "Gains and losses from the sale or exchange of such property are not treated as gains and losses from the sale or exchange of capital assets, except to the extent provided in section 117 (j)."

(B) By striking from the fifth sentence of paragraph (b) thereof the words "is not subject to the limitations of section 117 (b), (c), and (d)" and inserting in lieu thereof the words "is not subject to the provisions of section 117."

(C) By striking from the fourth sentence of paragraph (d) thereof the words "are not subject to the percentage provisions of section 117 (b) and losses from such transactions are not subject to the limitation on losses provided in section 117 (d)" and inserting in lieu thereof the words "are not subject to the limitations provided in section 117".

(D) By striking from the paragraph (g) of such section (beginning "Gains and losses from the sale or exchange") the second sentence thereof.

(E) By striking the second sentence from paragraph (i) thereof, beginning "In the determination of adjustable gross income".

PAR. 6. Section 29.117–2, as amended by Treasury Decision 5893, is further amended as follows:

(A) By striking all that precedes paragraph (b) thereof and inserting in lieu thereof the following:

§ 29.117–2 *Percentage of capital gain or loss taken into account; deduction for long-term capital gains; limitation on capital losses; net capital loss carryover*—(a) *General*—(1) *Taxable years beginning prior to October 20, 1951.* In computing the net capital gain, net capital loss, adjusted gross income, and net income of a taxpayer, other than a corporation, for a taxable year beginning prior to October 20, 1951 (the date of the enactment of the Revenue Act of 1951), only the following percentages of the gain or loss (computed under section 111, recognized under section 112, and taken into account without regard to section 117) upon the sale or exchange of a capital asset shall be taken into account:

(i) One hundred percent if the capital asset has been held for 6 months or less;

(ii) Fifty percent if the capital asset has been held for more than 6 months.

For instance, if unimproved real estate purchased by an individual for $20,000 is a capital asset and is sold by him for $25,000 after having been held for more than 6 months, only 50 percent of the recognized gain ($5,000), or $2,500, shall be taken into account in computing net income; or if such property is sold for $14,000, only 50 percent of the recognized loss ($6,000), or $3,000 shall be so taken into account. (In the case of nonresident alien individuals not engaged in trade or business within the United States, see section 211 and the regulations thereunder for the determination of the net amount of capital gains subject to tax with respect to taxable years beginning on or after January 1, 1950.)

(2) *Taxable years beginning on or after October 20, 1951.* (i) In computing gross income, adjusted gross income, net income, net capital gain, and net capital loss, for a taxable year beginning on or after October 20, 1951, 100 percent of any gain or loss (computed under section 111, recognized under section 112, and taken into account without regard to section 117) upon the sale or exchange of a capital asset shall be taken into account regardless of the period for which the capital asset has been held. Nevertheless, the net short-term capital gain or loss and the net long-term capital gain or loss must be separately computed. In computing the adjusted gross income or the net income of a taxpayer other than a corporation, if for any such taxable year the net long-term capital gain exceeds the net short-term capital loss, 50 percent of the amount of the excess is allowable as a deduction from gross income under sections 23 (ee) and 117 (b). For instance, if an individual realizes $2,000 of long-term capital gain and sustains $1,500 of short-term capital loss during the taxable year, the whole amount of the gain ($2,000) is includible in gross income. Since the net long-term capital gain exceeds the net short-term capital loss by $500, 50 percent of the excess ($250) is allowable as a deduction under section 23 (ee).

(ii) In the case of an estate or trust, for the purpose of computing the deduction allowable under section 23 (ee), any long-term or short-term capital gains which under section 162 (b) or (c) are includible in the gross income of its income beneficiaries as gains derived from the sale or exchange of capital assets must be excluded in determining whether for the taxable year of the estate or trust its net long-term capital gain exceeds its net short-term capital loss. For example, during 1952 a trust realized a gain of $1,000 upon the sale of stock held for 10 months. Under the terms of the trust instrument all of such gain must be distributed not later than 30 days after the close of the year to A, the sole income beneficiary. The trust is not entitled to any deduction with respect to such gain under sections 23 (ee) and 117 (b). On the other hand, assuming A had no other capital gains or losses in 1952, he would be entitled to a deduction of $500.

(B) By striking the second, third, and fourth sentences of paragraph (b) thereof and inserting in lieu of such sentences the following:

* * * Thus, where in a taxable year beginning prior to October 20, 1951, an individual taxpayer, having an ordinary net income of $5,000, has a loss of $4,000 from the sale of a capital asset which he held for more than 6 months, of which loss $2,000 (50 percent of $4,000) is taken into account, such net long-term capital loss of $2,000 is allowable only to the extent of $1,000, the remaining $1,000 being a net capital loss. If the taxpayer's ordinary net income had been $400 instead of $5,000, only $400 of the net long-term capital loss of $2,000 would have been allowed, leaving a net capital loss of $1,600. If the taxable year in this illustration were a taxable year beginning on or after October 20, 1951, the entire $4,000 loss would be taken into account as a net long-term capital loss, of which $1,000 and $400 would be allowable as deductions under the respective assumptions, and the net capital loss would be $3,000 and $3,600, respectively. (For carry-over of a net capital loss, see paragraph (c) of this section.) * * *

(C) By striking all that follows the first paragraph of paragraph (c) of such section and inserting in lieu thereof the following:

The practical operation of the provisions of section 117 (e) (1) may be illustrated by the following example:

Example. For the taxable years 1950 to 1954, inclusive, an individual is assumed to have a net short-term capital loss, net short-term capital gain, net long-term capital loss, net long-term capital gain, and net income as follows:

	1950	1951	1952	1953	1954
Carry-over from prior years:					
From 1950		($50,000)	($29,500)	($29,500)	
From 1952				(19,500)	($13,000)
Net short-term loss (computed without regard to the carry-overs)	($30,000)	(5,000)	(10,000)		
Net short-term gain (computed without regard to the carry-overs)				40,000	
Net long-term loss:					
50 percent taken into account	(20,500)				
100 percent taken into account			(10,000)	(5,000)	
Net long-term gain:					
50 percent taken into account		25,000			
100 percent taken into account					15,000
Ordinary net income (computed without regard to capital gains and losses)	500	500	500	1,000	500
Net capital gain (computed without regard to the carry-overs)		20,500		36,000	
Net capital loss	(50,000)		(19,500)		
Deduction allowable under section 23 (ee)			None	None	1,000
Net income (computed with regard to deduction allowable under section 23 (ee))			None	None	1,500

Net Capital Loss of 1950

The net capital loss is $50,000. This figure, computed by taking into account 100 percent of short-term gains and losses and 50 percent of long-term gains and losses, is the excess of the losses from sales or exchanges of capital assets over the sum of (1) gains from such sales or such exchanges, and (2) ordinary net income of $500. This amount may be carried forward in full as a short-term loss to 1951. However, in 1951 there was a net capital gain of $20,500, as defined by section 117 (a) (10) (B) and limited by section 117 (e) (1), against which this net capital loss of $50,000 is allowed in part. The remaining portion—$29,500—may be carried forward to 1952 and 1953 since there was no net capital gain in 1952. In 1953 this $29,500 is allowed in full against net capital gain of $36,000, as defined by section 117 (a) (10) (B) and limited by section 117 (e) (1). For 1952 and 1953 the net long-term capital loss is computed by taking into account 100 percent of gains and losses upon the sale or exchange of capital assets held for more than 6 months. However, in determining the amount of the capital loss carry-over ($29,500) to 1952 and 1953, the net capital loss for 1950 is computed by taking into account only 50 percent of gains and losses upon the sale or exchange of capital assets held for more than 6 months, and the net capital gain for 1951 is similarly computed.

Net Capital Loss of 1952

The net capital loss is $19,500. This figure, computed by taking into account 100 percent of both long-term and short-term gains and losses, is the excess of the losses from sales or exchanges of capital assets over the sum of (1) gains from such sales or exchanges and (2) ordinary net income of $500. This amount may be carried forward in full as a short-term loss to 1953. However, in 1953 there was a net capital gain of $6,500, as defined by section 117 (a) (10) (B) and limited by section 117 (e) (1), against which this net capital loss of $19,500 is allowed in part. The remaining portion—$13,000—may be carried forward to 1954. Since this amount is treated as a short-term capital loss in 1954 under section 117 (e) (1), the excess of the net long-term capital gain over the net short-term capital loss is $2,000. Half of this excess is allowable as a deduction under sections 23 (ee) and 117 (b). Thus, the taxpayer has a net income of $1,500 for 1954.

PAR. 7. Section 29.117–3, as amended by Treasury Decision 5928, approved August 28, 1952, is further amended as follows:

(A) By striking the second sentence of paragraph (a) thereof and inserting in lieu thereof the following: "For any taxable year beginning prior to October 20, 1951 (the date of the enactment of the Revenue Act of 1951), this alternative tax is the sum of (1) a partial tax, computed at the rates provided by sections 11 and 12 on the net income, excluding therefrom for this purpose the whole amount of such excess of the net long-term capital gain (determined by taking into account only 50 percent of the gains and losses upon the sale or exchange of capital assets held for more than 6 months) over the net short-term capital loss, plus (2) 50 percent of such excess. In the case of a taxable year beginning on or after October 20, 1951, this alternative tax is the sum of (1) a partial tax, computed at the rates provided by sections 11 and 12 on the net income reduced by an amount equal to 50 percent of the excess of the net long-term capital gain (determined by taking into account 100 percent of the gains and losses upon the sale or exchange of capital assets held for more than 6 months) over the net short-term capital loss, plus (2) 25 percent (or 26 percent if the taxable year begins after October 31, 1951, and before November 1, 1953) of the excess of the net long-term capital gain over the net short-term capital loss."

(B) By inserting immediately after the words "25 percent" in the second sentence of paragraph (b) thereof the following: "(or 26 percent if the taxable year begins after March 31, 1951, and before April 1, 1954)".

(C) By inserting immediately after the words "provisions of this section" in the first sentence of paragraph (c) thereof the following: "(other than those applicable to a taxable year beginning on or after October 20, 1951)".

PAR. 8. Section 29.117–6, as amended by Treasury Decision 5881, is further amended as follows:

(A) By striking from the first sentence of paragraph (a) thereof the words "the percentage of the recognized gain or loss to be taken into account under section 117 (b) from a short sale shall be computed" and inserting in lieu thereof the following: "whether the recognized gain or loss from a short sale is long-term or short-term capital gain or loss shall be determined".

(B) By striking from the second sentence of paragraph (a) thereof the words "100 percent of the recognized gain or loss would be taken into account under section 117 (b)" and inserting in lieu thereof the following: "the recognized gain or loss would be considered short-term capital gain or loss".

PAR. 9. Section 29.117–7, as amended by Treasury Decision 5881, is further amended as follows:

(A) By striking therefrom paragraphs (b) and (c) and inserting in lieu thereof the following:

(b) In determining whether such gains exceed such losses for the purposes of section 117 (j), losses upon the destruction in whole or in part, theft or seizure, requisition or condemnation of the property described in section 117 (j) are included whether or not there was a conversion of such property into money or other property. For example, if a capital asset held for more than six months, with an adjusted basis of $400, is stolen, and the loss from this theft is not compensated for by insurance or otherwise, the $400 loss is included in the computations under section 117 (j) to determine whether gains exceed losses. Furthermore, in making this computation for any taxable year, the gains and losses described in section 117 (j) are taken into account in full, that is, 100 percent of such gains and losses is taken into account. For example, if a taxpayer for a taxable year beginning before October 20, 1951, sustains a loss of $400 upon the sale under threat of condemnation of a capital asset, held for more than six months, such loss is taken into account for the purpose of section 117 (j) to the extent of $400, even though only $200 would be taken into account under section 117 (b), prior to its amendment by the Revenue Act of 1951, in computing net income. Similarly, the provisions of section 117 (d) limiting the deduction of capital losses are not applicable to exclude any losses from the computations under section 117 (j). With these exceptions, gains are included in the computations under section 117 (j) only to the extent that they are taken into account in computing gross income, and losses are included only to the extent that they are taken into account in computing net income. Thus, losses which are not deductible items under section 24 or section 118 are not included in the computations under section 117 (j). Similarly, if a taxpayer reports on the installment basis under section 44 the gain on the sale of property described in section 117 (j), only the portion of the gain reported under section 44 is included in the computations for such taxable year under section 117 (j). Any gains and losses which are not recognized under section 112 are not included in the computations under section 117 (j). Thus, if property is involuntarily converted into similar property, so that the gain on such conversion is not recognized under the provisions of section 112 (f), such gain is not included in the computations under section 117 (j).

(c) If it is determined under the above computations that the gains exceed the losses, all of such gains and losses are treated as gains and losses from the sale or exchange of capital assets held for more than six months. All such gains and losses are then subject to the limitations of section 117 (c) and (d), relating to the alternative tax in the case of capital gains and losses and the extent to which capital losses are allowed; and in the case of taxable years beginning prior to October 20, 1951, such gains and losses are taken into account only to the extent of 50 percent. If it is determined under the above computations that the gains do not exceed the losses, none of such gains and losses are treated as gains and losses from the sale or exchange of capital assets. Such gains and losses are then to be taken into account in full, and such losses are not subject to the limitations provided in section 117 (d). For example, if the taxpayer during the taxable year 1942 has losses of $1,000 on the sale of certain depreciable machinery used in his trade or business, held for more than six months, and a gain of $400 on the sale under threat of condemnation of a capital asset held for more than six months, such losses exceed such gain, and such losses and gain are not treated as losses and gain from the sale or exchange of capital assets. The gain on the sale of the capital asset would therefore be taken into account in full, instead of to the extent of 50 percent.

(B) By inserting in the second sentence of Example (1) thereof immediately following the words "section 117 (b)," the following: "prior to its amendment by the Revenue Act of 1951,".

(C) By inserting in the second sentence of the second paragraph of Example (1) thereof immediately follow-

ing the words "section 117 (b)," the following: "prior to its amendment by the Revenue Act of 1951,".

(D) By inserting in the second sentence of Example (3) thereof immediately following the words "section 117 (b)" the following: ", prior to its amendment by the Revenue Act of 1951,".

PAR. 10. There is inserted immediately preceding § 29.122–1 the following:

SEC. 322. CAPITAL GAINS AND LOSSES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(c) *Technical amendments.*

* * * * *

(4) *Amendment of section 122 (d) (4).* Section 122 (d) (4) (relating to computation of net operating loss deduction) is hereby amended to read as follows:

(4) The amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includible on account of gains from such sales or exchanges. The deduction provided in section 23 (ee) shall not be allowed.

* * * * *

(d) *Effective date.* The amendments made by this section shall be applicable only with respect to taxable years beginning on or after the date of the enactment of this act. * * *

PAR. 11. Section 29.122–3 is amended as follows:

(A) By striking subparagraph (4) from paragraph (a) thereof and inserting in lieu thereof the following:

(4) Gains and losses recognized upon sales or exchanges of capital assets held for more than 6 months shall be taken into account in full. The deduction provided in sections 23 (ee) and 117 (b), applicable to taxable years beginning on or after October 20, 1951, shall not be allowed;

(B) By striking out the words "(as defined in section 117 (a) (4))" from the second sentence of paragraph (d) (1) thereof.

PAR. 12. There is inserted immediately preceding § 29.162–1 the following:

SEC. 322. CAPITAL GAINS AND LOSSES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(c) *Technical amendments.*

* * * * *

(5) *Amendment of section 162 (a).* Section 162 (a) (relating to computation of net income of estates and trusts) is hereby amended by striking out the semicolon and inserting in lieu thereof a period and the following: "Where any amount of the income so paid or set aside is attributable to gain from the sale or exchange of capital assets held for more than six months, proper adjustment of the deduction otherwise allowable under this subsection shall be made for any deduction allowable to the trust under section 23 (ee);".

(d) *Effective date.* The amendments made by this section shall be applicable only with respect to taxable years beginning on or after the date of the enactment of this act. * * *

PAR. 13. Section 29.162–1, as amended by Treasury Decision 5838, approved April 17, 1951, is further amended by inserting, immediately before the last sentence of paragraph (a) thereof, the following: "For any taxable year beginning before October 20, 1951 (the date of the enactment of the Revenue Act of 1951), if an amount of the income so paid or set aside is attributable to gain from the sale or exchange of capital assets held for more than six months, the amount of the deduction allowable under section 162 (a) must be determined with reference to the requirement that only 50 percent of such gains be included in gross income of the trust. See United States v. Benedict et al., Trustees, (1950) 338 U. S. 692. Similarly, in a taxable year beginning on or after October 20, 1951, where any amount of the income so paid or set aside for the charitable uses or purposes referred to or described in section 162 (a) is attributable to gain from the sale or exchange of capital assets held for more than six months, the amount of the deduction allowable under section 162 (a) must be determined with regard to the inclusion of 100 percent of such gains in gross income and with appropriate adjustment for the deduction provided in sections 23 (ee) and 117 (b) of 50 percent of the excess, if any, of the net long-term capital gain over the net short-term capital loss. See § 29.117–2 (a) (2). The application of these rules is illustrated in the following examples:

Example (1). Under the terms of a trust created by the will of a decedent, the trust net income (including capital gains) is to be distributed, one-half to certain individual beneficiaries and one-half to M University, an organization exempt from taxation under section 101 (6). During 1951 the trust has ordinary net income of $100,000, and in addition $100,000 of gains from the sale of capital assets held for more than six months, of which only 50 percent, or $50,000, is includible in gross income. The trust pays $100,000—one-half of its net income under the terms of the trust—to M University. The deduction allowable to the trust under section 162 (a) is limited to $75,000, since only 50 percent of the capital gains is included in gross income for tax purposes.

Example (2). During 1952 the trust referred to in example (1) also has ordinary net income of $100,000, plus $100,000 of gains from the sale of capital assets held for more than six months. In computing the gross income of the trust for tax purposes 100 percent of such gains are includible. M University receives a total of $100,000 from the trust in respect of the year 1952. However, the amount allowable to the trust as a deduction under section 162 (a) is subject to appropriate adjustment for the deduction allowable under section 23 (ee). In view of the distributions made to individual beneficiaries, the deduction allowable to the trust under section 23 (ee) is limited by the provisions of section 117 (b) to $25,000. Since the whole of this deduction is attributable to the distribution to M University, the deduction allowable in 1952 to the trust under section 162 (a) will be $75,000.

PAR. 14. Section 29.162–2, as amended by Treasury Decision 5458, approved June 15, 1945, is further amended by inserting immediately following the words "section 117 (b)" appearing in the first example of paragraph (a) thereof, the following: "prior to its amendment by the Revenue Act of 1951".

PAR. 15. Section 29.189–1 is amended as follows:

(A) By striking the first sentence of paragraph (a) (1) and inserting in lieu thereof the following: "The partnership's gains and losses from sales or exchanges of capital assets held for more than six months shall be taken into account in full."

(B) By striking the sentence in paragraph (b) (2) and inserting in lieu thereof the following: "The partnership's gains and losses from sales or exchanges of capital assets held for more than six months shall be taken into account in full."

(53 Stat. 32, 467; 26 U. S. C. 62, 3791)

[SEAL] JUSTIN F. WINKLE,
Acting Commissioner of Internal Revenue.

Approved: December 2, 1952.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 52–12934; Filed, Dec. 5, 1952; 8:50 a. m.]

[T. D. 5930; Regs. 111, 130]

PART 29—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

PART 40—EXCESS PROFITS TAX; TAXABLE YEARS ENDING AFTER JUNE 30, 1950

CHANGES IN CORPORATION INCOME TAX AND EXCESS PROFITS TAX RATES

On October 1, 1952, notice of proposed rule making, regarding amendments to conform Regulations 111 (26 CFR Part 29) to sections 121 (a), (b), (c), (d), and (g) (1), (2), (4), and (5), 122, and 123 of the Revenue Act of 1950, approved September 23, 1950, sections 201 (a), (b), and (e) and 202 of the Excess Profits Tax Act of 1950, approved January 3, 1951, and sections 121 (a), (c), (f) (other than the addition of section 15 (c) of the Internal Revenue Code), and (g), 122, 124, 125, 311, and 612 of the Revenue Act of 1951, approved October 20, 1951, and to conform Regulations 130 (26 CFR Part 40) to sections 121 (b) and 125 of the Revenue Act of 1951, was published in the FEDERAL REGISTER (17 F. R. 8692). No objection to the rules proposed having been received, the amendments to Regulations 111 and 130 set forth below are hereby adopted.

PARAGRAPH 1. There is inserted immediately preceding § 29.13–1 the following:

SEC. 121. INCREASE IN RATE OF CORPORATION INCOME TAXES (PART II, TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Amendment of section 13.* Section 13 (relating to the normal tax on corporations) is hereby amended to read as follows:

SEC. 13. NORMAL TAX ON CORPORATIONS.

(a) *Definitions.* For the purposes of this chapter—

(1) *Adjusted net income.* The term "adjusted net income" means the net income minus the credit provided in section 26 (a), relating to interest on certain obligations of the United States and Government corporations.

(2) *Normal tax net income*—(A) *Calendar year 1950 and taxable years beginning after June 30, 1950.* In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, and in the case of taxable years beginning after June 30, 1950, the term "normal-tax net income" means the adjusted net income minus the sum of the following credits:

(i) The credit for dividends received provided in section 26 (b);

(ii) In the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h); and

(iii) In the case of a western hemisphere trade corporation (as defined in section 109), the credit provided in section 26 (i).

(B) *Other taxable years beginning before July 1, 1950.* In the case of taxable years (other than the calendar year 1950, to which subparagraph (A) applies) beginning before July 1, 1950, the term "normal-tax net income" means the adjusted net income minus the credit for dividends received provided in section 26 (b).

(b) *Imposition of tax*—(1) *Taxable years beginning after June 30, 1950.* In the case of taxable years beginning after June 30, 1950, there shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q) a tax of 25 per centum of the normal-tax net income.

(2) *Calendar year 1950.* In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, there shall be levied, collected, and paid for such taxable year upon the normal-tax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q) a tax of 23 per centum of the normal-tax net income.

(3) *Other taxable years beginning before July 1, 1950.* In the case of taxable years (other than the calendar year 1950, to which paragraph (2) applies) beginning before July 1, 1950, there shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation the normal-tax net income of which is more than $25,000 (except a corporation subject to a tax imposed by section 14, section 231 (a), Supplement G, or Supplement Q) whichever of the following taxes is the lesser:

(A) *General rule.* A tax of 24 per centum of the normal-tax net income; or

(B) *Alternative tax (corporations with normal-tax net income over $25,000, but not over $50,000).* A tax of $4,250, plus 31 per centum of the amount of the normal-tax net income in excess of $25,000.

For computation of tax in case the taxable year ends after June 30, 1950, see section 108 (f).

(c) *Exempt corporations.* For corporations exempt from taxes under this chapter, see section 101.

(d) *Tax on personal holding companies.* For surtax on personal holding companies, see section 500.

(e) *Improper accumulation of surplus.* For surtax on corporations which accumulate surplus to avoid surtax on shareholders, see section 102.

* * * * *

SEC. 123. EFFECTIVE DATE OF PART II (TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (inc. sec. 121 (a)) shall be applicable only with respect to taxable years ending after December 31, 1949. For treatment of taxable years (other than the calendar year 1950) beginning before July 1, 1950, and ending after June 30, 1950, see section 131.

SEC. 121. INCREASE IN RATE OF CORPORATION NORMAL TAX (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(a) *Amendment of section 13.* Subsections (a) and (b) of section 13 (relating to normal tax on corporations) are hereby amended to read as follows:

(a) *Definitions.* For the purposes of this chapter—

(1) *Adjusted net income.* The term "adjusted net income" means the net income minus the credit provided in section 26 (a), relating to interest on certain obligations of the United States and Government corporations.

(2) *Normal-tax net income.* The term "normal-tax net income" means the adjusted net income minus the sum of the following credits:

(A) The credit for dividends received provided in section 26 (b);

(B) In the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h); and

(C) In the case of a western hemisphere trade corporation (as defined in section 109), the credit provided in section 26 (i).

(b) *Imposition of tax.* There shall be levied, collected, and paid for each taxable year upon the normal-tax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q)—

(1) *Calendar year 1951.* In the case of a taxable year beginning on January 1, 1951, and ending on December 31, 1951, a tax of 28¾ per centum of the normal-tax net income.

(2) *Taxable years beginning after March 31, 1951, and before April 1, 1954.* In the case of taxable years beginning after March 31, 1951, and before April 1, 1954, a tax of 30 per centum of the normal-tax [net] income.

(3) *Taxable years beginning after March 31, 1954.* In the case of taxable years beginning after March 31, 1954, a tax of 25 per centum of the normal-tax net income.

* * * * *

SEC. 125. EFFECTIVE DATE (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

The amendments made by this part (inc. sec. 121 (a)) shall be applicable only with respect to taxable years beginning after March 31, 1951, and to taxable years beginning on January 1, 1951, and ending on December 31, 1951, * * * For treatment of taxable years (other than the calendar year 1951) beginning before April 1, 1951, and ending after March 31, 1951, see section 131.

PAR. 2. Section 29.13–1, as amended by Treasury Decision 5517, approved June 12, 1946 (26 CFR 29.13–1), is further amended as follows:

(A) By redesignating paragraphs (b) through (e) as subparagraphs (2) through (5) and by striking out the period and dash in the heading of the section and the first sentence of paragraph (a) and inserting in lieu thereof the following: "— (a) Taxable years beginning before July 1, 1950 (other than the calendar year 1950) (1) For taxable years beginning before July 1, 1950 (other than the calendar year 1950), section 13 imposes an income tax on corporations in general the normal-tax net income of which is more than $25,000." * * *

(B) By striking out the third, fourth, and fifth sentences of redesignated paragraph (a) (2) of the section and inserting in lieu thereof the following: "For taxable years beginning after December 31, 1945, and before July 1, 1950 (other than the calendar year 1950), the normal-tax net income is the adjusted net income minus the credit for dividends received provided in section 26 (b). Section 26 (b) applicable to such taxable years relates to dividends received from a domestic corporation which is subject to taxation under chapter 1 (85 percent of dividends received). For taxable years beginning in 1945 and ending in 1946, see § 29.108–2. For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (other than the calendar year 1950), see § 29.108–5."

(C) By striking out in redesignated paragraph (a) (5) of the section "This section may be illustrated by the following examples:" and inserting in lieu thereof "The computation of the tax under section 13 may be illustrated by the following examples:".

(D) By adding at the end of the section the following new paragraph (b):

(b) *Calendar year 1950 and taxable years beginning after June 30, 1950.* (1) For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, section 13 imposes an income tax on corporations generally. Every corporation is liable to the tax imposed by such section, except (i) corporations expressly exempt from all taxation under chapter 1 (see section 101); (ii) corporations subject to tax under Supplement U (see section 421); (iii) foreign corporations not engaged in trade or business within the United States (see section 231 (a)); (iv) insurance companies (see Supplement G); and (v) regulated investment companies (see Supplement Q).

(2) It makes no difference that a domestic corporation subject to any tax imposed by section 13 may derive no income from sources within the United States. The tax imposed by section 13 for a taxable year is computed upon the "normal-tax net income" for the taxable year, that is, the adjusted net income for such year minus (i) the credit for dividends received provided in section 26 (b) for such year, and (ii), in the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h) for such year, and (iii), in the case of a Western Hemisphere trade corporation (see section 109), the credit provided in section 26 (i) for such year. For taxable years beginning after June 30, 1950, and before April 1, 1951, and ending after March 31, 1951 (other than the calendar year 1951), see § 29.108–6. For taxable years beginning before April 1, 1954, and ending after March 31, 1954, see § 29.108–9. The "adjusted net income" of a corporation is the net income as defined in section 21 minus the credit provided in section 26 (a), relating to interest on certain obligations of the United States and its instrumentalities.

(3) The tax imposed by section 13 is payable upon the basis of returns rendered by the corporations liable thereto, except that in some cases a tax is to be paid at the source of the income (see also sections 47, 52, 53, 144, and 235). For what the term "corporation" includes and for the difference between domestic and foreign corporations, see section 3797 (a). For treatment of the tax imposed on foreign corporations engaged in trade or business within the United States, see § 29.231–1 (b). In the case of foreign corporations not engaged in trade or business within the United States, the tax is as provided in section 231 (a). In the case of insurance companies, the tax is as provided in Supplement G (sections 201 to 207, inclusive). In the case of regulated investment companies, the tax is as provided in Supplement Q (sections 361 and 362). In the case of corporations subject to tax under

Supplement U, the tax is as provided in sections 421 to 424, inclusive. For surtax on corporations generally, see § 29.15–1. For surtax on personal holding companies, see sections 500 to 511, inclusive. For surtax on corporations improperly accumulating surplus, see section 102. For treatment of capital gains and losses, see section 117. For treatment of mutual savings banks conducting life insurance business, see section 110.

(4) The tax imposed by section 13 for a taxable year which is the calendar year 1950 and for a taxable year beginning after June 30, 1950, is computed by applying to the "normal-tax net income" the rate in effect for such taxable year. The rates of tax under section 13 applicable for the respective taxable years are as follows:

	Percent
For a taxable year which is the calendar year 1950	23
For taxable years beginning after June 30, 1950, and before April 1, 1951 (other than the calendar year 1951)	25
For a taxable year which is the calendar year 1951	28¾
For taxable years beginning after March 31, 1951, and before April 1, 1954	30
For taxable years beginning after March 31, 1954	25

(5) The computation of the tax under section 13 may be illustrated by the following example:

Example. The A Corporation, a domestic corporation (which is neither a public utility referred to in section 26 (h) nor a Western Hemisphere trade corporation referred to in section 26 (i)), has for the calendar year 1951 a net income of $130,000, including interest on United States obligations (allowable as a credit under section 26 (a)) in the amount of $10,000 and cash dividends received (allowable as a credit under section 26 (b) (1)) in the amount of $10,000. The corporation's tax under section 13 for the calendar year 1951 is $32,056.25, computed as follows:

Net income	$130,000.00
Less credit for interest on United States obligations	10,000.00
Adjusted net income	120,000.00
Less credit for dividends received (85 percent of $10,000)	8,500.00
Normal-tax net income	111,500.00
Tax under section 13 (b) (1) (28¾ percent of $111,500)	32,056.25

PAR. 3. There is inserted immediately preceding § 29.14–1 the following:

SEC. 121. INCREASE IN RATE OF CORPORATION INCOME TAXES (PART II, TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(b) *Amendment of section 14 (a).* So much of section 14 (relating to normal tax on special classes of corporations) as precedes subsection (b) thereof is hereby amended to read as follows:

SEC. 14. TAX ON SPECIAL CLASSES OF CORPORATIONS IN CASE OF TAXABLE YEARS (OTHER THAN THE CALENDAR YEAR 1950) BEGINNING BEFORE JULY 1, 1950.

(a) *Imposition of tax in cases of taxable years (other than the calendar year 1950) beginning before July 1, 1950.* In the case of taxable years beginning before July 1, 1950 (other than a taxable year beginning on January 1, 1950, and ending on December 31, 1950), there shall be levied, collected, and paid for each taxable year upon the normal-tax net income of the following corporations (in lieu of the tax imposed by section 13 (b) (3)) the tax hereinafter in this section specified. For computation of tax in case the taxable year ends after June 30, 1950, see section 108 (f).

* * * * *

SEC. 123. EFFECTIVE DATE OF PART II (TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (inc. sec. 121 (b)) shall be applicable only with respect to taxable years ending after December 31, 1949. For treatment of taxable years (other than the calendar year 1950) beginning before July 1, 1950, and ending after June 30, 1950, see section 131.

SEC. 121. INCREASE IN RATE OF CORPORATION NORMAL TAX (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(g) *Technical amendment.* Section 14 (relating to normal tax on special classes of corporations in the case of taxable years beginning before July 1, 1950) is hereby repealed.

SEC. 125. EFFECTIVE DATE (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

The amendments made by this part (inc. sec. 121 (g)) shall be applicable only with respect to taxable years beginning after March 31, 1951, and to taxable years beginning on January 1, 1951, and ending on December 31, 1951, * * *

PAR. 4. Section 29.14–1 is amended as follows:

(A) By striking out the heading and the first sentence of paragraph (a) and inserting in lieu thereof the following:

§ 29.14–1 *Tax on special corporations for taxable years beginning before July 1, 1950 (other than the calendar year 1950).* (a) Section 14 and this section are applicable with respect to taxable years beginning after December 31, 1941, and before July 1, 1950 (other than the calendar year 1950).

(B) By adding after the third sentence of paragraph (c) of the section the following: "For taxable years beginning in 1945 and ending in 1946, see § 29.108–2. For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (other than the calendar year 1950), see § 29.108–5."

PAR. 5. There is inserted immediately preceding § 29.15–1 the following:

SEC. 121. INCREASE IN RATE OF CORPORATION INCOME TAXES (PART II, TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(c) *Amendment of section 15.* Section 15 (relating to surtax on corporations) is hereby amended to read as follows:

SEC. 15. SURTAX ON CORPORATIONS.

(a) *Corporation surtax net income.* For the purposes of this chapter—

(1) *Calendar year 1950 and taxable years beginning after June 30, 1950.* In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, and in the case of taxable years beginning after June 30, 1950, the term "corporation surtax net income" means the net income minus the sum of the following credits:

(A) The credit for dividends received provided in section 26 (b);

(B) In the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h);

(C) In the case of a western hemisphere trade corporation (as defined in section 109), the credit provided in section 26 (i).

(2) *Other taxable years beginning before July 1, 1950.* In the case of taxable years (other than the calendar year 1950, to which paragraph (1) applies) beginning before July 1, 1950, the term "corporation surtax net income" means the net income minus the credit for dividends received provided in section 26 (b) and minus, in the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h). For the purposes of this paragraph, dividends received on the preferred stock of a public utility shall be disregarded in computing the credit for dividends received provided in section 26 (b).

(b) *Imposition of tax.*—(1) *Taxable years beginning after June 30, 1950.* In the case of taxable years beginning after June 30, 1950, there shall be levied, collected, and paid for each taxable year upon the corporation surtax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q) a surtax of 20 per centum of the amount of the corporation surtax net income in excess of $25,000.

(2) *Calendar year 1950.* In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, there shall be levied, collected, and paid for such taxable year upon the corporation surtax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q) a surtax determined by computing a tentative surtax of 19 per centum of the amount of the corporation surtax net income in excess of $25,000, and by reducing such tentative surtax by an amount equal to 1 per centum of the lower of (A) the amount of the credit provided in section 26 (a), or (B) the amount by which the corporation surtax net income exceeds $25,000.

(3) *Other taxable years beginning before July 1, 1950.* In the case of taxable years (other than the calendar year 1950, to which paragraph (2) applies) beginning before July 1, 1950, there shall be levied, collected, and paid for each taxable year upon the corporation surtax net income of every corporation (except a western hemisphere trade corporation as defined in section 109, and except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q) a surtax as follows:

(A) *Surtax net incomes not over $25,000.* Upon corporation surtax net incomes not over $25,000, 6 per centum of the amount thereof.

(B) *Surtax net incomes over $25,000 but not over $50,000.* Upon corporation surtax net incomes over $25,000, but not over $50,000, $1,500 plus 22 per centum of the amount of the corporation surtax net income over $25,000.

(C) *Surtax net incomes over $50,000.* Upon corporation surtax net incomes over $50,000, 14 per centum of the corporation surtax net income.

For computation of tax in case the taxable year ends after June 30, 1950, see section 108 (f).

* * * * *

SEC. 123. EFFECTIVE DATE OF PART II (TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (inc. sec. 121 (c)) shall be applicable only with respect to taxable years ending after December 31, 1949. For treatment of taxable years (other than the calendar year 1950) beginning before July 1, 1950, and ending after June 30, 1950, see section 131.

SEC. 201. SURTAX ON CORPORATIONS (TITLE II, EXCESS PROFITS TAX ACT OF 1950, APPROVED JANUARY 3, 1951).

(a) *Rate of tax.* Section 15 (b) (1) of the Internal Revenue Code (relating to rate

of surtax in the case of taxable years beginning after June 30, 1950) is hereby amended by striking out "20 per centum" and inserting in lieu thereof "22 per centum".

* * * * *

(e) *Effective date.* The amendments made by this section shall be applicable with respect to taxable years beginning on or after July 1, 1950.

SEC. 121 INCREASE IN RATE OF CORPORATION NORMAL TAX (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(f) *Amendment of section 15.* Section 15 (relating to surtax on corporations) is hereby amended to read as follows:

SEC. 15. SURTAX ON CORPORATIONS.

(a) *Corporation surtax net income.* For the purposes of this chapter, the term "corporation surtax net income" means the net income minus the sum of the following credits:

(1) The credit for dividends received provided in section 26 (b);

(2) In the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h);

(3) In the case of a western hemisphere trade corporation (as defined in section 109), the credit provided in section 26 (i).

(b) *Imposition of tax.* There shall be levied, collected, and paid for each taxable year upon the corporation surtax net income of every corporation (except a corporation subject to a tax imposed by section 231 (a), Supplement G, or Supplement Q) a surtax of 22 per centum of the amount of the corporation surtax net income in excess of $25,000.

* * * * *

SEC. 125. EFFECTIVE DATE (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

The amendments made by this part (inc. sec. 121 (f)) shall be applicable only with respect to taxable years beginning after March 31, 1951, and to taxable years beginning on January 1, 1951, and ending on December 31, 1951, * * * For treatment of taxable years (other than the calendar year 1951) beginning before April 1, 1951, and ending after March 31, 1951, see section 131.

SEC. 612. CREDIT IN PRIOR TAXABLE YEARS FOR DIVIDENDS RECEIVED ON PREFERRED STOCK OF A PUBLIC UTILITY (TITLE VI, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

In the case of taxable years beginning before April 1, 1951, any reference in section 15 (a) or 26 (b) of the Internal Revenue Code to dividends received on the preferred stock of a public utility shall be construed as referring only to dividends received on the preferred stock of a public utility with respect to which the credit provided in section 26 (h) of such Code for dividends paid was allowable.

PAR. 6. Section 29.15–1, as amended by Treasury Decision 5517, is further amended as follows:

(A) By redesignating present paragraphs (b) through (h) as subparagraphs (2) through (8) and by striking out the period and dash in the heading of the section and the first sentence of paragraph (a) of the section and inserting in lieu thereof the following: "— (a) *Taxable years beginning before July 1, 1950 (other than the calendar year 1950).* (1) For taxable years beginning before July 1, 1950 (other than the calendar year 1950), section 15 imposes a surtax upon the corporation surtax net income of every corporation, except (1) corporations expressly exempt from taxation under chapter 1 (see section 101), (2) Western Hemisphere trade corporations (see section 109), (3) foreign corporations taxable under section 231 (a), (4) insurance companies (see Supplement G), or (5) regulated investment companies (see Supplement Q)."

(B) By striking out the second sentence of redesignated paragraph (a) (2) and the second sentence of redesignated paragraph (a) (4) of the section and inserting in lieu of each of the following: "For the purposes of determining the corporation surtax net income, dividends received on the preferred stock of a public utility with respect to which the credit for dividends paid is allowable under section 26 (h) must be disregarded in computing the credit provided in section 26 (b) for dividends received."

(C) By inserting in the first sentence of redesignated paragraph (a) (4) and in the first sentence of redesignated paragraph (a) (5) of the section after "For taxable years beginning after December 31, 1945," the following: "and before July 1, 1950 (other than the calendar year 1950),".

(D) By adding at the end of redesignated paragraph (a) (7) of the section the following: "For treatment of taxable years beginning before July 1, 1950, and ending after June 30, 1950 (other than the calendar year 1950), see § 29.108–5."

(E) By adding at the end of the section the following new paragraph (b):

(b) *Calendar year 1950 and taxable years beginning after June 30, 1950.* (1) For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, section 15 imposes a surtax upon the corporation surtax net income of every corporation, except (i) corporations expressly exempt from all taxation under chapter 1 (see section 101), (ii) corporations subject to tax under Supplement U (see section 421), (iii) foreign corporations not engaged in trade or business within the United States (see section 231 (a)), (4) insurance companies (see Supplement G), and (5) regulated investment companies (see Supplement Q). For surtax on personal holding companies, see sections 500 to 511, inclusive. For surtax on corporations improperly accumulating surplus, see section 102. For treatment of capital gains and losses, see section 117. For treatment of mutual savings banks conducting life insurance business, see section 110.

(2) For such taxable years, the "corporation surtax net income" of a corporation is its net income for the taxable year minus (i) the credit for dividends received provided in section 26 (b) for such year, and (ii), in the case of a public utility, the credit for dividends paid on its preferred stock provided in section 26 (h) for such year, and (iii), in the case of a Western Hemisphere trade corporation (see section 109), the credit provided in section 26 (i) for such year. The credit provided in section 26 (a) for interest received on obligations of the United States or its instrumentalities is not allowable in computing corporation surtax net income for any taxable year.

(3) Section 15 imposes a surtax only upon so much of the corporation surtax net income as is in excess of $25,000. For a taxable year which is the calendar year 1950, the surtax on corporations is determined by computing a tentative surtax of 19 percent of the amount of the corporation surtax net income in excess of $25,000, and by reducing such tentative surtax by an amount equal to 1 percent of the lower of (i) the amount of the credit provided in section 26 (a), relating to interest on certain obligations of the United States and its instrumentalities, or (ii) the amount by which the corporation surtax net income exceeds $25,000. For taxable years beginning after June 30, 1950, the surtax on corporations is at the rate of 22 percent and is upon corporation surtax net income in excess of $25,000.

(4) For treatment of taxable years beginning after June 30, 1950, and before April 1, 1951, and ending after March 31, 1951 (other than the calendar year 1951), see § 29.108–6. For treatment of taxable years beginning before April 1, 1954, and ending after March 31, 1954, see § 29.108–9.

(5) The computation of the surtax on corporations may be illustrated by the following examples:

Example (1). The A Corporation, a domestic corporation (which is neither a public utility referred to in section 26 (h) nor a Western Hemisphere trade corporation referred to in section 26 (i)), has for the calendar year 1950 a net income of $86,000. The net income includes cash dividends received from a corporation (allowable as a credit under section 26 (b) (1)) in the amount of $10,000, and interest on United States obligations (allowable as a credit under section 26 (a) in determining adjusted net income for purposes of corporation normal tax) in the amount of $10,000. The A Corporation's surtax for the calendar year 1950 is $9,875, computed as follows:

Net income		$86,000
Less credit for dividends received (85 percent of $10,000)		8,500
Corporation surtax net income		77,500
Tentative surtax (19 percent of $52,500, the excess of $77,500 over $25,000)		9,975
Less the lower of:		
1 percent of $10,000 (amount of the credit provided in sec. 26 (a))	$100	
or		
1 percent of $52,500 (the excess of $77,500 (corporation surtax net income) over $25,000)	525	
		100
Surtax		9,875

Example (2). The facts are the same as in example (1), above, except that the taxable year is the calendar year 1951 instead of the calendar year 1950. The A Corporation's surtax for the calendar year 1951 is $11,550, computed as follows:

Net income	$86,000
Less credit for dividends received (85 percent of $10,000)	8,500
Corporation surtax net income	77,500
Surtax (22 percent of $52,500, the excess of $77,500 over $25,000)	11,550

PAR. 7. There is inserted immediately preceding § 29.26–1 the following:

SEC. 121. INCREASE IN RATE OF CORPORATION INCOME TAXES (PART II, TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(g) *Technical Amendments.* (1) Section 26 (h) (2) (relating to definition of public utility) is hereby amended by striking out "As used in this subsection and section 15 (a)" and inserting in lieu thereof "As used in this subsection, subsection (b), and sections 13 and 15".

* * * * *

SEC. 122. CREDITS OF CORPORATIONS (PART II, TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Dividends received credit.* Section 26 (b) (relating to credits allowed corporations with respect to dividends received) is hereby amended to read as follows:

(b) *Dividends received.* An amount equal to the sum of:

(1) *In general.* 85 per centum of the amount received as dividends (other than dividends received in taxable years described in paragraph (2) on the preferred stock of a public utility) from a domestic corporation which is subject to taxation under this chapter; and

(2) *Certain preferred stock*—(A) *Taxable years beginning after June 30, 1950.* In the case of taxable years beginning after June 30, 1950, 59 per centum of the amount received as dividends on the preferred stock of a public utility which is subject to taxation under this chapter.

(B) *Calendar year 1950.* In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, 57 per centum of the amount received as dividends on the preferred stock of a public utility which is subject to taxation under this chapter.

For the purpose of this subsection (but not for the purposes of computing adjusted net income), if the whole or any part of a dividend is received after August 31, 1950, in property other than money, then, with respect to such property, the shareholder shall not be considered to have received as a dividend an amount in excess of the adjusted basis of such property in the hands of the distributing corporation at the time of distribution increased in the amount of gain or decreased in the amount of loss recognized to the distributing corporation by reason of such distribution. The credit allowed under this subsection shall not be allowed in respect of dividends received from a corporation organized under the China Trade Act, 1922, 42 Stat. 849 (U. S. C., title 15, c. 4), or from a corporation which under section 251 is taxable only on its gross income from sources within the United States by reason of its receiving a large percentage of its gross income from sources within a possession of the United States. In no event shall the credit allowed by this subsection exceed 85 per centum of the adjusted net income computed without regard to the deduction allowed by section 23 (s).

(b) *Credit for dividends paid on certain preferred stock.* The first sentence of section 26 (h) (1) (relating to amount of credit for dividends paid on certain preferred stock) is hereby amended to read as follows: "In the case of a public utility, the amount of dividends paid during the taxable year on its preferred stock, except that (A) in the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, only an amount equal to 33 per centum of the lower of (i) the amount of dividends paid during such taxable year on its preferred stock or (ii) the adjusted net income for such taxable year minus the credit for dividends received provided in subsection (b) for such year, and (B) in the case of any taxable year beginning after June 30, 1950, only an amount equal to 31 per centum of the lower of (i) the amount of dividends paid during such taxable year on its preferred stock or (ii) the adjusted net income for such taxable year minus the credit for dividends received provided in subsection (b) for such year."

(c) *Western hemisphere trade corporations.* Section 26 (relating to credits of corporations) is hereby amended by adding at the end thereof the following new subsection:

(i) *Western hemisphere trade corporations.* In the case of a Western Hemisphere trade corporation (as defined in section 109)—

(1) *Taxable years beginning after June 30, 1950.* In the case of any taxable year beginning after June 30, 1950, an amount equal to 31 per centum of its normal-tax net income computed without regard to the credit provided in this subsection.

(2) *Calendar year 1950.* In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950, an amount equal to 33 per centum of its normal-tax net income computed without regard to the credit provided in this subsection.

SEC. 123. EFFECTIVE DATE OF PART II (TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (inc. secs. 121 (g) (1) and 122) shall be applicable only with respect to taxable years ending after December 31, 1949. For treatment of taxable years (other than the calendar year 1950) beginning before July 1, 1950, and ending after June 30, 1950, see section 131.

SEC. 202. CREDITS OF CORPORATIONS (TITLE II, EXCESS PROFITS TAX ACT OF 1950, APPROVED JANUARY 3, 1951).

(a) *Credit for dividends paid on certain preferred stock.* Section 26 (h) (1) (B) of the Internal Revenue Code (relating to credit for dividends paid on certain preferred stock) is hereby amended by striking out "31 per centum" and inserting in lieu thereof "30 per centum".

(b) *Western hemisphere trade corporations.* Section 26 (i) (1) of such code (relating to credit of western hemisphere trade corporations) is hereby amended by striking out "31 per centum" and inserting in lieu thereof "30 per centum".

(c) *Effective date.* The amendments made by this section shall be applicable with respect to taxable years beginning on or after July 1, 1950.

SEC. 122. CREDITS OF CORPORATIONS (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(a) *Dividends received credit.* Paragraphs (1) and (2) of section 26 (b) (relating to credit for dividends received) are hereby amended to read as follows:

(1) *In general.* 85 per centum of the amount received as dividends (other than dividends described in paragraph (2) on the preferred stock of a public utility) from a domestic corporation which is subject to taxation under this chapter.

(2) *Certain preferred stock*—(A) *Calendar year 1951.* In the case of a taxable year beginning on January 1, 1951, and ending on December 31, 1951, 61 per centum of the amount received as dividends on the preferred stock of a public utility which is subject to taxation under this chapter and with respect to which the credit provided in section 26 (h) for dividends paid is allowable.

(B) *Taxable years beginning after March 31, 1951, and before April 1, 1954.* In the case of taxable years beginning after March 31, 1951, and before April 1, 1954, 62 per centum of the amount received as dividends on the preferred stock of a public utility which is subject to taxation under this chapter and with respect to which the credit provided in section 26 (h) for dividends paid is allowable.

(C) *Taxable years beginning after March 31, 1954.* In the case of taxable years beginning after March 31, 1954, 59 per centum of the amount received as dividends on the preferred stock of a public utility which is subject to taxation under this chapter and with respect to which the credit provided in section 26 (h) for dividends paid is allowable.

(b) *Credit for dividends paid on certain preferred stock.* The first sentence of section 26 (h) (1) (relating to amount of credit for dividends paid on certain preferred stock) is hereby amended to read as follows: "In the case of a public utility, (A) for a taxable year beginning on January 1, 1951, and ending on December 31, 1951, an amount equal to 28 per centum of the lesser of (i) the amount of dividends paid during the taxable year on its preferred stock or (ii) the adjusted net income for such taxable year minus the credit for dividends received provided in subsection (b) for such year, (B) for a taxable year beginning after March 31, 1951, and before April 1, 1954, an amount equal to 27 per centum of the lesser of (i) the amount of dividends paid during the taxable year on its preferred stock or (ii) the adjusted net income for such taxable year minus the credit for dividends received provided in subsection (b) for such year, and (C) for a taxable year beginning after March 31, 1954, an amount equal to 30 per centum of the lower of (i) the amount of dividends paid during the taxable year on its preferred stock or (ii) the adjusted net income for such taxable year minus the credit for dividends received provided in subsection (b) for such year.

(c) *Western Hemisphere trade corporations.* Section 26 (i) (relating to credit of a Western Hemisphere trade corporation) is hereby amended to read as follows:

(i) *Western Hemisphere trade corporations.* In the case of a Western Hemisphere trade corporation (as defined in section 109)—

(1) *Calendar year 1951.* In the case of a taxable year beginning on January 1, 1951, and ending on December 31, 1951, an amount equal to 28 per centum of its normal-tax net income computed without regard to the credit provided in this subsection.

(2) *Taxable years beginning after March 31, 1951, and before April 1, 1954.* In the case of a taxable year beginning after March 31, 1951, and before April 1, 1954, an amount equal to 27 per centum of its normal-tax net income computed without regard to the credit provided in this subsection.

(3) *Taxable years beginning after March 31, 1954.* In the case of a taxable year beginning after March 31, 1954, an amount equal to 30 per centum of its normal-tax net income computed without regard to the credit provided in this subsection.

SEC. 125. EFFECTIVE DATE (PART II, TTLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

The amendments made by this part (inc. sec. 122) shall be applicable only with respect to taxable years beginning after March 31, 1951, and to taxable years beginning on January 1, 1951, and ending on December 31, 1951, * * * For treatment of taxable years (other than the calendar year 1951) beginning before April 1, 1951, and ending after March 31, 1951, see section 131.

SEC. 311. CREDIT FOR DIVIDENDS RECEIVED (TITLE III, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(a) *Dividends from foreign corporation engaged in trade or business in the United States.* Section 26 (b) (relating to dividends received credit) is hereby amended by inserting after paragraph (2) the following new paragraph:

(3) *Dividends received from certain foreign corporations.* In the case of dividends received from a foreign corporation (other than a foreign personal holding company) which is subject to taxation under this chapter, if, for an uninterrupted period of not less than 36 months ending with the close of such foreign corporation's taxable year in which such dividends are paid (or, if the corporation has not been in existence for 36 months at the close of such taxable year, for the period the foreign corporation has

been in existence as of the close of such taxable year) such foreign corporation has been engaged in trade or business within the United States and has derived 50 per centum or more of its gross income from sources within the United States—

(A) an amount equal to 85 per centum of the dividends received out of its earnings or profits specified in clause (2) of the first sentence of section 115 (a), but such amount shall not exceed an amount which bears the same ratio to 85 per centum of such dividends received out of such earnings or profits as the gross income of such foreign corporation for the taxable year from sources within the United States bears to its gross income from all sources for such taxable year, and

(B) an amount equal to 85 per centum of the dividends received out of that part of its earnings or profits specified in clause (1) of the first sentence of section 115 (a) accumulated after the beginning of such uninterrupted period, but such amount shall not exceed an amount which bears the same ratio to 85 per centum of such dividends received out of such accumulated earnings or profits as the gross income of such foreign corporation from sources within the United States for the portion of such uninterrupted period ending at the beginning of such taxable year bears to its gross income from all sources for such portion of such uninterrupted period.

For determination of earnings or profits distributed in any taxable year, see section 115 (b).

* * * * *

(c) *Effective date.* The amendments made by this section shall be applicable only with respect to taxable years beginning after December 31, 1950.

SEC. 612. CREDIT IN PRIOR TAXABLE YEARS FOR DIVIDENDS RECEIVED ON PREFERRED STOCK OF A PUBLIC UTILITY (TITLE VI, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

In the case of taxable years beginning before April 1, 1951, any reference in section 15 (a) or 26 (b) of the Internal Revenue Code to dividends received on the preferred stock of a public utility shall be construed as referring only to dividends received on the preferred stock of a public utility with respect to which the credit provided in section 26 (h) of such Code for dividends paid was allowable.

PAR. 8. Section 29.26–5, as amended by Treasury Decision 5384, approved June 30, 1944, is further amended as follows:

(A) By amending the first sentence of paragraph (a) (1) of the section to read as follows: "A credit is provided in section 26 (h) for dividends paid during the taxable year by certain public utility corporations on certain preferred stock."

(B) By inserting in the first sentence of paragraph (a) (2) of the section after "For the purposes of section 26 (h)" the following: "and this section".

(C) By striking out the heading and the first sentence of paragraph (b) of the section and inserting in lieu thereof the following:

(b) *Amount of credit.* (1) For taxable years beginning before July 1, 1950 (other than the calendar year 1950), the credit provided in section 26 (h) is an amount equal to the dividends paid during the taxable year by a public utility on its preferred stock. For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, the credit provided in section 26 (h) is an amount equal to a specified percent of the lesser of (i) the amount of the dividends paid during the taxable year by a public utility on its preferred stock or (ii) the adjusted net income of the public utility for such taxable year minus the credit for dividends received allowable to such public utility for such taxable year under section 26 (b). The specified percent applicable for the respective taxable years is as follows:

	Percent
For a taxable year which is the calendar year 1950	33
For taxable years beginning after June 30, 1950, and before Apr. 1, 1951 (other than the calendar year 1951)	30
For a taxable year which is the calendar year 1951	28
For taxable years beginning after Mar. 31, 1951, and before Apr. 1, 1954	27
For taxable years beginning after Mar. 31, 1954	30

For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (other than the calendar year 1950), see § 29.108–5. For taxable years beginning after June 30, 1950, and before April 1, 1951, and ending after March 31, 1951 (other than the calendar year 1951), see § 29.108–6. For taxable years beginning before April 1, 1954, and ending after March 31, 1954, see § 29.108–9.

(2) For taxable years beginning after December 31, 1943, the amount of dividends paid in a given taxable year shall not include any amount distributed in such year with respect to dividends unpaid and accumulated in any taxable year ending prior to October 1, 1942.

(D) By striking out in the second sentence of paragraph (c) (2) of the section "the appropriate allocable portion of the total amount of dividends paid on such stock will be allowable as a credit under such section" and inserting in lieu thereof "the appropriate allocable portion of the total amount of dividends paid on such stock will be considered as having been paid on stock which was issued prior to October 1, 1942".

(E) By striking out the fourth and sixth sentences of the example following paragraph (c) (2) of the section.

PAR. 9. There is inserted immediately after § 29.26–5, as amended by Treasury Decision 5384, the following new sections:

§ 29.26–6 *Credit for dividends received*—(a) *Dividends on stock of domestic corporation.* A credit is provided in section 26 (b) for dividends received from a domestic corporation which is subject to taxation under chapter 1 of the Internal Revenue Code. Such credit of a corporation for a taxable year is, except as provided in paragraph (d) of this section, an amount equal to 85 percent of such dividends received by the corporation during the taxable year. For the purpose of determining the corporation surtax net income for taxable years beginning before July 1, 1950 (other than the calendar year 1950), dividends received on the preferred stock of a public utility with respect to which the credit for dividends paid provided in section 26 (h) is allowable to the distributing corporation shall be disregarded in determining the credit under this paragraph. The credit under this paragraph for a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, shall be determined without regard to dividends received on the preferred stock of a public utility with respect to which the credit for dividends paid provided in section 26 (h) is allowable to the distributing corporation. For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (other than the calendar year 1950), see § 29.108–5. For credit for such dividends received on the preferred stock of a public utility, see paragraph (b) of this section. If a credit for dividends paid is not allowable to the distributing corporation under section 26 (h) with respect to the dividends on its preferred stock, such dividends received from a domestic public utility corporation subject to taxation under chapter 1 are includible in determining the credit under this paragraph.

(b) *Dividends on certain preferred stock of public utilities.* For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, a credit is provided in section 26 (b) (2) for dividends received on certain preferred stock of certain public utility corporations subject to taxation under chapter 1 of the Internal Revenue Code. Such credit is allowable only for dividends received on the preferred stock of a public utility with respect to which the credit for dividends paid provided in section 26 (h) is allowable to the distributing corporation. The credit of a corporation under section 26 (b) (2) for a taxable year is, except as provided in paragraph (d) of this section, an amount equal to the following percent of such dividends received by the corporation during the taxable year:

	Percent
For a taxable year which is the calendar year 1950	57
For taxable years beginning after June 30, 1950, and before Apr. 1, 1951 (other than the calendar year 1951)	59
For a taxable year which is the calendar year 1951	61
For taxable years beginning after Mar. 31, 1951, and before Apr. 1, 1954	62
For taxable years beginning after Mar. 31, 1954	59

For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (other than the calendar year 1950), see § 29.108–5. For taxable years beginning after June 30, 1950, and before April 1, 1951, and ending after March 31, 1951 (other than the calendar year 1951), see § 29.108–6. For taxable years beginning before April 1, 1954, and ending after March 31, 1954, see § 29.108–9.

(c) *Dividends on stock of certain foreign corporations.* (1) For taxable years beginning after December 31, 1950, a credit is provided in section 26 (b) (3) for dividends received from a foreign corporation (other than a foreign personal holding company as defined in section 331) which is subject to taxation under chapter 1 of the Internal Revenue Code if, for an uninterrupted period of not less than 36 months ending with the close of the foreign corporation's taxable year in which the dividends are paid, such foreign corporation has been engaged in trade or business within the United States and has derived 50 percent

or more of its gross income from sources within the United States. If the foreign corporation has been in existence less than 36 months as of the close of the taxable year in which the dividends are paid, then the applicable uninterrupted period to be taken into consideration in lieu of the uninterrupted period of 36 or more months is the entire period such corporation has been in existence as of the close of such taxable year. An uninterrupted period which satisfies the twofold requirement with respect to business activity and gross income may start at a date later than the date on which the foreign corporation first commenced an uninterrupted period of engaging in trade or business within the United States, but the applicable uninterrupted period is in any event the longest uninterrupted period which satisfies such twofold requirement.

(2) The credit of a corporation under section 26 (b) (3) for a taxable year is, except as provided in paragraph (d) of this section, an amount equal to 85 percent of such dividends:

(i) Received out of the foreign corporation's earnings or profits for its taxable year in which the dividends are paid (computed as of the close of such taxable year without diminution by reason of any distributions made during such taxable year) without regard to the amount of the earnings and profits at the time the distribution was made, but not in excess of an amount which bears the same ratio to 85 percent of such dividends received as the gross income of the foreign corporation for such taxable year from sources within the United States bears to its gross income from all sources for such year, and

(ii) Received out of that part of the foreign corporation's earnings or profits accumulated after February 28, 1913, which has accumulated after the beginning of the applicable uninterrupted period, but not in excess of an amount which bears the same ratio to 85 percent of such dividends received as the gross income of the foreign corporation from sources within the United States for that portion of the applicable uninterrupted period which ends at the beginning of its taxable year in which the dividends are paid bears to its gross income from all sources for the same portion of such applicable uninterrupted period.

(3) The determination of earnings or profits distributed in any taxable year shall be made in accordance with the principles of section 115 (b) of the Internal Revenue Code. For the determination of the source of income, see section 119 and the regulations thereunder.

(4) The application of section 26 (b) (3) may be illustrated by the following examples:

Example (1). Corporation A (a foreign corporation filing its income tax return on a calendar year basis) whose stock is 100 percent owned by Corporation B (a domestic corporation filing its income tax return on a calendar year basis) for the first time engaged in trade or business within the United States on January 1, 1940, and qualifies under section 26 (b) (3) for the entire period beginning on that date and ending on December 31, 1951. Corporation A had accumulated earnings or profits of $50,000 immediately prior to January 1, 1940, and had earnings or profits of $10,000 for each taxable year during the uninterrupted period from January 1, 1940, through December 31, 1951. It derived for the period from January 1, 1940, through December 31, 1950, 90 percent of its gross income from sources within the United States, and in 1951 derived 95 percent of its gross income from sources within the United States. During the calendar years 1940, 1941, 1942, 1943, and 1944 Corporation A distributed in each year $15,000; during the calendar years 1945, 1946, 1947, 1948, 1949, and 1950 it distributed in each year $5,000; and during the year 1951, $50,000. For 1951 a dividends received credit of $31,025 is allowable to Corporation B with respect to the $50,000 received from Corporation A, computed as follows:

(i) $8,075 which is $8,500 (85 percent of the $10,000 of earnings or profits of the taxable year) multiplied by 95 percent (the portion of the gross income of Corporation A derived during the taxable year from sources within the United States), plus

(ii) $22,950 which is $25,500 (85 percent of $30,000 (that part of the earnings or profits accumulated after the beginning of the uninterrupted period)) multiplied by 90 percent (the portion of the gross income of Corporation A derived from sources within the United States during that portion of the uninterrupted period ending at the beginning of the taxable year).

Example (2). If in example (1) Corporation A for the taxable year 1951 had incurred a deficit of $10,000 (shown to have been incurred prior to December 31), and if it had distributed $50,000 on December 31, 1951, the dividends received credit allowable to Corporation B would be $15,300, computed by multiplying $17,000 (85 percent of $20,000 earnings or profits accumulated after the beginning of the uninterrupted period) by 90 percent (the portion of the gross income of Corporation A derived from United States sources during that portion of the uninterrupted period ending at the beginning of the taxable year).

(5) For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (other than the calendar year 1950), see § 29.108–5. For taxable years beginning after June 30, 1950, and before April 1, 1951, and ending after March 31, 1951 (other than the calendar year 1951), see § 29.108–6.

(d) *Limitations on credit.* No credit is allowable under section 26 (b) in respect of dividends received from a corporation organized under the China Trade Act, 1922, 42 Stat. 849 (U. S. C., title 15, c. 4), or from a corporation which under section 251 is taxable only on its gross income from sources within the United States by reason of its receiving a large percentage of its gross income from sources within a possession of the United States. For taxable years beginning before January 1, 1946, the credit under section 26 (b) is limited to 85 percent of the corporation's adjusted net income reduced by the credit provided in section 26 (e) for income subject to the excess profits tax imposed by subchapter E of chapter 2 of the Internal Revenue Code. For taxable years beginning after December 31, 1945, and ending before January 1, 1950, the credit under section 26 (b) is limited to 85 percent of the corporation's adjusted net income. For taxable years ending after December 31, 1949, the credit under section 26 (b) (that is, the sum of the credits determined under paragraphs (a), (b), and (c) of this section) is limited to 85 percent of the corporation's adjusted net income computed without regard to the deduction for net operating loss allowed by section 23 (s). For the purpose of section 26 (b) and this section (but not for the purpose of computing adjusted net income), if the whole or any part of a dividend is received after August 31, 1950, in property other than money, the amount of such dividend in such property shall not be considered to be in excess of the adjusted basis of such property in the hands of the distributing corporation at the time of distribution increased in the amount of gain or decreased in the amount of loss recognized to the distributing corporation by reason of such distribution. In no event shall the amount of the dividend in property other than money be treated as an amount greater than the fair market value of such property received by the shareholder. For definition of the term "adjusted net income", see section 13 (a) (1) and § 29.13–1. For taxable years beginning in 1945 and ending in 1946, see § 29.108–2.

§ 29.26–7 *Credit of Western Hemisphere trade corporations.* For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, a credit is provided in section 26 (i) for Western Hemisphere trade corporations as defined in section 109. The credit under section 26 (i) of a Western Hemisphere trade corporation for a taxable year is an amount equal to the following percent of its normal-tax net income for such taxable year computed without regard to such credit:

	Percent
For a taxable year which is the calendar year 1950	33
For taxable years beginning after June 30, 1950, and before Apr. 1, 1951 (other than the calendar year 1951)	30
For a taxable year which is the calendar year 1951	28
For taxable years beginning after Mar. 31, 1951, and before Apr. 1, 1954	27
For taxable years beginning after Mar. 31, 1954	30

For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (other than the calendar year 1950), see § 29.108–5. For taxable years beginning after June 30, 1950, and before April 1, 1951, and ending after March 31, 1951 (other than the calendar year 1951), see § 29.108–6. For taxable years beginning before April 1, 1954, and ending after March 31, 1954, see § 29.108–9.

PAR. 10. There is inserted immediately preceding § 29.52–1 the following:

SEC. 124. FILING OF CORPORATION RETURNS FOR TAXABLE YEARS ENDING AFTER MARCH 31, 1951, AND BEFORE OCTOBER 1, 1951 (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

In the case of a corporation subject to a tax imposed by chapter 1 of the Internal Revenue Code for a taxable year ending after March 31, 1951, but prior to October 1, 1951, such corporation shall after the date of the enactment of this act and on or before January 15, 1952, make a return for such taxable year with respect to the tax imposed by chapter 1 of the Internal Revenue Code for such taxable year. The return required by this section for such taxable year shall constitute the return for such taxable year for all purposes of the Internal Revenue Code; and no return for such taxable year, with respect to any tax imposed by chapter 1 of

such code, filed on or before the date of the enactment of this act shall be considered for any of such purposes as a return for such year. The taxes imposed by chapter 1 of such code (determined with the amendments made by this act) for such taxable year shall be paid on January 15, 1952, in lieu of the time prescribed in section 56 (a) of such code. All payments with respect to any tax for such taxable year imposed by chapter 1 of such code under the law in effect prior to the enactment of this act, to the extent that such payments have not been credited or refunded, shall be deemed payments made at the time of the filing of the return required by this section on account of the tax for such taxable year under Chapter 1 determined with the amendments made by this act.

PAR. 11. There is inserted immediately after § 29.52–3, as added by Treasury Decision 5861, approved October 18, 1951, the following new section:

§ 29.52–4 *Certain corporation returns for taxable years ending after March 31, 1951, and before October 1, 1951.* The return of a corporation subject to a tax imposed by chapter 1 of the Internal Revenue Code for a taxable year ending after March 31, 1951, and before October 1, 1951, shall be filed after October 20, 1951 (the date of enactment of the Revenue Act of 1951), and on or before January 15, 1952. Such return shall constitute the return for such taxable year, and no return for such taxable year filed on or before October 20, 1951, shall be considered as a return for such taxable year. The taxes for such taxable year shall be paid on or before January 15, 1952. All payments of tax (including interest, penalties, and additions to the tax) for such taxable year made on or before October 20, 1951, shall be deemed to be payments of tax made at the time of the filing of the return required by this section to be filed on or before January 15, 1952, except to the extent any such payments are credited or refunded prior to the time such return is filed. The provisions of § 29.56–1 (b) (3) (ii) and (iv) shall apply with respect to the payment of such tax by installment payments, and for such purpose, the date prescribed for the payment of the tax as a single payment is January 15, 1952.

PAR. 12. Section 29.53–1, as amended by Treasury Decision 5893, approved April 4, 1952, is further amended by adding at the end of the section the following undesignated paragraph:

For provisions relating to the time for filing certain corporation returns for taxable years ending after March 31, 1951, and before October 1, 1951, see § 29.52–4.

PAR. 13. Section 29.104–1 is amended to read as follows:

§ 29.104–1 *Tax on banks.* For taxable years beginning before July 1, 1950 (other than the calendar year 1950), a bank, as defined in section 104 (a), is, under section 104 (b), subject to the tax imposed by section 13 if it has a normal-tax net income of more than $25,000 (see § 29.13–1), or to the tax provided by section 14 (b) if it has a normal-tax net income of not more than $25,000 (see § 29.14–1). For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, a bank, as defined in section 104 (a), is, under section 104 (b), subject to the normal tax on corporations imposed by section 13 (see § 29.13–1). Such a bank is also subject to the surtax imposed by section 15 (see § 29.15–1). For treatment of mutual savings banks conducting life insurance business, see section 110.

PAR. 14. Section 29.109–1 is amended as follows:

(A) By striking out the first sentence and so much of the second sentence of paragraph (a) as precedes the colon and inserting in lieu thereof the following: "The term 'Western Hemisphere trade corporation' for the purposes of chapter 1 of the Internal Revenue Code means a domestic corporation which meets the following tests:".

(B) By striking out in the last sentence of paragraph (a) of the section "A domestic corporation is not excluded from the exemption" and inserting in lieu thereof "A domestic corporation is not excluded from the definition".

(C) By striking out in the first sentence of paragraph (b) of the section "A corporation which claims exemption as a Western Hemisphere trade corporation" and inserting in lieu thereof "A corporation which claims to qualify as a Western Hemisphere trade corporation".

PAR. 15. There is inserted immediately preceding § 29.119–1 the following:

SEC. 311. CREDIT FOR DIVIDENDS RECEIVED (TITLE III, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(b) *Technical amendment.* Section 119 (a) (2) (B) (relating to rules as to source of income in the case of dividends) is hereby amended by inserting before the semicolon at the end thereof the following: "to the extent exceeding the amount which is 100/85ths of the amount of the credit allowable under section 26 (b) in respect of such dividends".

(c) *Effective date.* The amendments made by this section shall be applicable only with respect to taxable years beginning after December 31, 1950.

PAR. 16. Section 29.119–3 is amended as follows:

(A) By changing the last sentence of paragraph (b) of the section to read as follows: "However, for the purpose of section 131, relating to credits for taxes of foreign countries and possessions of the United States, dividends from a foreign corporation shall, for taxable years beginning before January 1, 1951, be treated as income from sources without the United States; and, for taxable years beginning after December 31, 1950, as income from such sources to the extent exceeding the amount which is 100/85ths of the amount of the credit, if any, allowable under section 26 (b) in respect of such dividends."

(B) By striking out in the last undesignated paragraph of the section "(except for the purposes of section 131)" and inserting in lieu thereof the following: "(except for the purpose of section 131 to the extent indicated in paragraph (b) of this section)".

PAR. 17. There is inserted immediately preceding § 29.122–1 the following:

SEC. 121. INCREASE IN RATE OF CORPORATION INCOME TAXES (PART II, TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(g) *Technical amendments.*

* * * * *

(2) Section 122 (c) (relating to amount of net operating loss deduction) is hereby amended by striking out "without the credit provided in section 26 (e)" and inserting in lieu thereof "without the credits provided in section 26 (h) and (i)".

* * * * *

SEC. 123. EFFECTIVE DATE OF PART II (TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (inc. sec. 121 (g) (2)) shall be applicable only with respect to taxable years ending after December 31, 1949. * * *

PAR. 18. Section 29.122–5 is amended by striking out at the end of paragraph (a) (2) the first sentence "the credit provided in section 26 (e) for income subject to the excess profits tax shall not be allowed" and by inserting in lieu thereof the following: "the credits provided in section 26 (e) for income subject to the excess profits tax, section 26 (h) for dividends paid by a public utility on its preferred stock, and section 26 (i) in the case of a Western Hemisphere trade corporation, shall not be allowed."

Par. 19. There is inserted immediately preceding § 29.204–1 the following:

SEC. 121. INCREASE IN RATE OF CORPORATION INCOME TAXES (PART II, TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(g) *Technical amendments.*

* * * * *

(4) Effective with respect to taxable years beginning after June 30, 1950, and with respect to taxable years beginning on January 1, 1950, and ending on December 31, 1950, section 204 (a) (1) (relating to insurance companies other than life or mutual) is hereby amended by striking out "at the rates specified in section 13 or section 14 (b) and in section 15 (b)" and inserting in lieu thereof "computed as provided in section 13 (b) and in section 15 (b)."

* * * * *

PAR. 20. Section 29.204–1, as amended by Treasury Decision 5369, approved May 11, 1944, is further amended by striking out paragraph (c) and inserting in lieu thereof the following:

(c) Insurance companies are subject to both normal tax and surtax. For taxable years beginning before July 1, 1950 (other than the calendar year 1950), the normal tax shall be at the rate specified in section 13 (b) for such years if the company has a normal-tax net income of more than $25,000, or at the rate specified in section 14 (b) for such years if it has a normal-tax net income of not more than $25,000. For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, the normal tax shall be computed as provided in section 13 (b) for such years. For what constitutes normal-tax net income for the respective taxable years, see § 29.13–1. For taxable years beginning before July 1, 1950 (other than the calendar year 1950), the surtax shall be at the rate specified in section 15 (b) for such

years. For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, the surtax shall be computed as provided in section 15 (b) for such years. For what constitutes corporation surtax net income for the respective taxable years, see § 29.15–1. For alternative tax where the net long-term capital gain for any taxable year exceeds the net short-term capital loss, see section 117 (c) and the regulations thereunder.

PAR. 21. There is inserted immediately preceding § 29.207–1 the following:

SEC. 121. INCREASE IN RATE OF CORPORATION INCOME TAXES (PART II, TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(d) *Mutual insurance companies other than life or marine.* (1) Section 207 (a) (1) (relating to normal tax and surtax on mutual insurance companies, other than life or marine) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

(A) *Taxable years beginning after June 30, 1950.* In the case of taxable years beginning after June 30, 1950—

(i) *Normal tax.* A normal tax on the normal-tax net income, computed at the rate provided in section 13 (b) (1), or 50 per centum of the amount by which the normal-tax net income exceeds $3,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax on the corporation surtax net income, computed as provided in section 15 (b) (1).

(B) *Calendar year 1950.* In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950—

(i) *Normal tax.* A normal tax on the normal-tax net income, computed at the rate provided in section 13 (b) (2), or 46 per centum of the amount by which the normal-tax net income exceed $3,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax on the corporation surtax net income, computed as provided in section 15 (b) (2).

(2) Section 207 (a) (3) (relating to normal tax and surtax on interinsurers or reciprocal underwriters) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

(A) *Taxable years beginning after June 30, 1950.* In the case of taxable years beginning after June 30, 1950—

(i) *Normal tax.* A normal tax on the normal-tax net income, computed at the rate provided in section 13 (b) (1), or 50 per centum of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax on the corporation surtax net income, computed as provided in section 15 (b) (1), or 30 per centum of the amount by which the corporation surtax net income exceeds $50,000, whichever is the lesser.

(B) *Calendar year 1950.* In the case of a taxable year beginning on January 1, 1950, and ending on December 31, 1950—

(i) *Normal tax.* A normal tax on the normal-tax net income, computed at the rate provided in section 13 (b) (2), or 46 per centum of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax on the corporation surtax net income, in an amount computed as provided in section 15 (b) (2), or in an amount equal to one and one-half times the surtax which would be computed under section 15 (b) (2) if the corporation surtax net income were reduced by $25,000, whichever amount is the lesser.

(3) The amendments made by this subsection shall apply only with respect to taxable years beginning after June 30, 1950, and to taxable years beginning on January 1, 1950, and ending on December 31, 1950.

* * * * *

SEC. 201. SURTAX ON CORPORATIONS (TITLE II, EXCESS PROFITS TAX ACT OF 1950, APPROVED JANUARY 3, 1951).

* * * * *

(b) *Mutual insurance companies other than life or marine.* Section 207 (a) (3) (A) (ii) of such code (relating to surtax on interinsurers or reciprocal underwriters) is hereby amended by striking out "30 per centum" and inserting in lieu thereof "33 per centum".

* * * * *

(e) *Effective date.* The amendments made by this section shall be applicable with respect to taxable years beginning on or after July 1, 1950.

SEC. 121. INCREASE IN RATE OF CORPORATION NORMAL TAX (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(c) *Mutual insurance companies other than life or marine.*

(1) Section 207 (a) (1) (relating to normal tax and surtax on mutual insurance companies, other than life or marine) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

(A) *Taxable years beginning after December 31, 1950, and before April 1, 1951.* In the case of taxable years beginning after December 31, 1950, and before April 1, 1951, and ending after March 31, 1951—

(i) *Normal tax.* A normal tax of 28¾ per centum of the normal-tax net income, or 57½ per centum of the amount by which the normal-tax net income exceeds $3,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax of 22 per centum of the corporation surtax net income in excess of $25,000.

(B) *Taxable years beginning after March 31, 1951, and before April 1, 1954.* In the case of taxable years beginning after March 31, 1951, and before April 1, 1954—

(i) *Normal tax.* A normal tax of 30 per centum of the normal-tax net income, or 60 per centum of the amount by which the normal-tax net income exceeds $3,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax of 22 per centum of the corporation surtax net income in excess of $25,000.

(C) *Taxable years beginning after March 31, 1954.* In the case of a taxable year beginning after March 31, 1954—

(i) *Normal tax.* A normal tax of 25 per centum of the normal-tax net income, or 50 per centum of the amount by which the normal-tax net income exceeds $3,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax of 22 per centum of the corporation surtax net income in excess of $25,000.

(2) Section 207 (a) (3) (relating to a normal tax and surtax on interinsurers and reciprocal underwriters) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

(A) *Taxable years beginning after December 31, 1950, and before April 1, 1951.* In the case of taxable years beginning after December 31, 1950, and before April 1, 1951, and ending after March 31, 1951—

(i) *Normal tax.* A normal tax of 28¾ per centum of the normal-tax net income, or 57½ per centum of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax of 22 per centum of the corporation surtax net income in excess of $25,000, or 33 per centum of the amount by which the corporation surtax net income exceeds $50,000, whichever is the lesser.

(B) *Taxable years beginning after March 31, 1951, and before April 1, 1954.* In the case of taxable years beginning after March 31, 1951, and before April 1, 1954—

(i) *Normal tax.* A normal tax of 30 per centum of the normal-tax net income, or 60 per centum of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax of 22 per centum of the corporation surtax net income in excess of $25,000, or 33 per centum of the amount by which the corporation surtax net income exceeds $50,000, whichever is the lesser.

(C) *Taxable years beginning after March 31, 1954.* In the case of a taxable year beginning after March 31, 1954—

(i) *Normal tax.* A normal tax of 25 per centum of the normal-tax net income, or 50 per centum of the amount by which the normal-tax net income exceeds $50,000, whichever is the lesser; plus

(ii) *Surtax.* A surtax of 22 per centum of the corporation surtax net income in excess of $25,000, or 33 per centum of the amount by which the corporation surtax net income exceeds $50,000, whichever is the lesser.

* * * * *

SEC. 125. EFFECTIVE DATE (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

The amendments made by this part (inc. sec. 121 (c)) shall be applicable only with respect to taxable years beginning after March 31, 1951, and to taxable years beginning on January 1, 1951, and ending on December 31, 1951, except that the amendments made to sections 207 * * * of the Internal Revenue Code shall be applicable to taxable years beginning after December 31, 1950, and ending after March 31, 1951. In the case of an insurance company subject to the tax imposed by section 207, the provisions of section 26 (b) of such code applicable to the calendar year 1951 shall be applicable to a taxable year beginning after December 31, 1950, and before April 1, 1951, and ending after March 31, 1951. * * *

PAR. 22. Section 29.207–1, as amended by Treasury Decision 5600, approved February 2, 1948, is further amended as follows:

(A) By adding after the third sentence of paragraph (a) (2) of this section the following: "With respect to the credit for dividends received provided in section 26 (b) for taxable years beginning after December 31, 1950, and before April 1, 1951, and ending after March 31, 1951, the provisions of section 26 (b) applicable to the calendar year 1951 shall, in the case of such companies, be applicable to such taxable years."

(B) By inserting in the heading of paragraph (c) of the section after *"Taxable years beginning after December 31, 1945"* the following: *", and before July 1, 1950 (other than the calendar year 1950)"*.

(C) By inserting in the first sentence of paragraph (c) (1) of the section after "For any taxable year beginning after December 31, 1945," the following: "and before July 1, 1950 (other than the calendar year 1950),".

(D) By adding at the end of the section the following new paragraphs (d) and (e):

(d) *Calendar year 1950; taxable years beginning after June 30, 1950, and before January 1, 1951; and taxable years beginning after December 31, 1950, and ending before April 1, 1951.* (1) For a taxable year which is the calendar year 1950, for any taxable year beginning after June 30, 1950, and before January 1, 1951, and for any taxable year beginning after December 31, 1950, and ending before

April 1, 1951, the tax under section 207 (a) (1) and 207 (a) (3), except as hereinafter indicated, is computed upon normal-tax net income at the rate provided in section 13 (b) applicable to such year and upon corporation surtax net income as provided in section 15 (b) applicable to such year. The tax under section 207 (a) (2), except as hereinafter indicated, is 1 percent of the gross amount of income from interest, dividends, rents, and net premiums, minus dividends to policyholders and minus wholly tax-exempt interest.

(2) Under section 207 (a) (1) companies with normal-tax net incomes of over $3,000 and not over $6,000 pay a normal tax, at a specified rate, on that portion of the normal-tax net income in excess of $3,000. The rates applicable for the respective taxable years in computing the normal tax of such companies are as follows:

	Percent
For a taxable year which is the calendar year 1950	46
For taxable years beginning after June 30, 1950, and before Jan. 1, 1951	50
For taxable years beginning after Dec. 31, 1950, and ending before Apr. 1, 1951	50

Under section 207 (a) (2) companies with gross amounts of income from interest, dividends, rents, and net premiums, minus dividends to policyholders and minus wholly tax-exempt interest, of over $75,000 and not over $150,000 pay a tax equal to 2 percent of that portion in excess of $75,000. Under section 207 (a) (3) interinsurers and reciprocal underwriters with normal-tax net incomes of over $50,000 and not over $100,000 pay a normal tax, at a specified rate, on that portion of the normal-tax net income in excess of $50,000. The rates applicable for the respective taxable years in computing the normal tax of such interinsurers and reciprocal underwriters are as follows:

	Percent
For a taxable year which is the calendar year 1950	46
For taxable years beginning after June 30, 1950, and before Jan. 1, 1951	50
For taxable years beginning after Dec. 31, 1950, and ending before Apr. 1, 1951	50

(3) For a taxable year which is the calendar year 1950, the surtax under section 207 (a) (3) of an interinsurer or reciprocal underwriter with corporation surtax net income of over $50,000 and not over $100,000 is an amount equal to one and one-half times the surtax which would be computed under section 15 (b) (2) applicable to such taxable year if the corporation surtax net income of such interinsurer or reciprocal underwriter were reduced by $25,000. If, for a taxable year which is the calendar year 1950, an interinsurer or reciprocal underwriter has any partially tax-exempt interest for which a credit is provided in section 26 (a) and has corporation surtax net income of over $100,000 and not over $102,777.72, the surtax under section 207 (a) (3) of such interinsurer or reciprocal underwriter is the lesser of (i) the amount of the surtax computed as provided in section 15 (b) (2) applicable to such taxable year, or (ii) an amount equal to one and one-half times the surtax which would be computed under section 15 (b) (2) applicable to such taxable year if the corporation surtax net income were reduced by $25,000. For a taxable year beginning after June 30, 1950, and before January 1, 1951, or a taxable year beginning after December 31, 1950, and ending before April 1, 1951, the surtax under section 207 (a) (3) of an interinsurer or reciprocal underwriter with corporation surtax net income of over $50,000 and not over $100,000 is an amount equal to 33 percent of that portion of its corporation surtax net income in excess of $50,000.

(4) Section 207 (a) (4) provides for an adjustment of the amount computed under section 207 (a) (1), section 207 (a) (2) (A), and section 207 (a) (3) where the gross amount received during the taxable year from interest, dividends, rents, and premiums (including deposits and assessments) is over $75,000 and less than $125,000. The adjustment reduces the tax otherwise computed under those sections to an amount which bears the same proportion to such tax as the excess over $75,000 bears to $50,000.

(5) The application of section 207 (a) (1), (2), (3), and (4) may be illustrated by the following examples:

Example (1). The X Company, a mutual casualty insurance company, for the calendar year 1950 has corporation surtax net income of $35,000 and, due to partially tax-exempt interest of $5,000, normal-tax net income of $30,000. The gross amount received from interest, dividends, rents, and premiums (including deposits and assessments) is $120,000, and the gross amount of income from interest, dividends, rents, and net premiums, minus dividends to policyholders and wholly tax-exempt interest, is $100,000. Under section 207 (a) (1), without application of section 207 (a) (4), the normal tax would be 23 percent of $30,000, or $6,900, since this is less than $12,420, 46 percent of $27,000 (excess of normal-tax net income of $30,000 over $3,000); and the surtax computed as provided in section 15 (b) (2) would be $1,850, tentative surtax of 19 percent of $10,000 (excess of corporation surtax net income of $35,000 over $25,000), or $1,900, reduced by $50, 1 percent of $5,000 (the lower of $5,000, amount of partially tax-exempt interest, or $10,000, excess of corporation surtax net income of $35,000 over $25,000). The combined tax of $8,750 ($6,900 plus $1,850) would then be reduced by applying section 207 (a) (4), since the gross receipts are between $75,000 and $125,000. The tax under section 207 (a) (1), as thus adjusted, would be 90 percent of $8,750, or $7,875, since $45,000 (excess of $120,000 over $75,000) is 90 percent of $50,000. Under section 207 (a) (2) (A), without reference to section 207 (a) (4), the tax is 2 percent of $25,000 (excess of $100,000 over $75,000), or $500, since this is less than $1,000, 1 percent of $100,000. Applying section 207 (a) (4) reduces this to $450, or 90 percent of $500. Since $7,875, the tax under section 207 (a) (1), as adjusted, exceeds $450, the tax under section 207 (a) (2), as adjusted, the tax under section 207 (a) (1), as adjusted, is applicable. The X Company would accordingly pay a combined normal tax and surtax of $7,875.

Example (2). The Y Exchange, an interinsurer, for the calendar year 1950 has corporation surtax net income of $100,000 and, due to partially tax-exempt interest of $20,000, normal-tax net income of $80,000. The gross amount received from interest, dividends, rents, and premiums (including deposits and assessments) is $3,000,000. Under section 207 (a) (3) the normal tax of the Y Exchange for the taxable year is 46 percent of $30,000 (excess of normal-tax net income of $80,000 over $50,000), or $13,800, since this is less than $18,400, 23 percent of $80,000. The surtax under section 207 (a) (3) of the Y Exchange for the taxable year is $13,950, one and one-half times $9,300, the surtax which would be computed under section 15 (b) (2) if the corporation surtax net income were reduced by $25,000 ($9,500 (19 percent of $50,000, excess of $75,000, corporation surtax net income of $100,000 reduced by $25,000, over $25,000) reduced by $200 (1 percent of $20,000, the lower of $20,000, amount of partially tax-exempt interest, or $50,000, excess of $75,000, corporation surtax net income of $100,000 reduced by $25,000, over $25,000)), since this is less than the surtax on corporation surtax net income of $100,000 computed as provided in section 15 (b) (2). The surtax computed as provided in section 15 (b) (2) would be $14,050, tentative surtax of $14,250 (19 percent of $75,000, excess of corporation surtax net income of $100,000 over $25,000) reduced by $200 (1 percent of $20,000, the lower of $20,000, amount of partially tax-exempt interest, or $75,000, excess of corporation surtax net income over $25,000). Since the Y Exchange is not subject to the tax imposed by section 207 (a) (2) and is not entitled to the adjustment provided in section 207 (a) (4), as its gross receipts are not less than $125,000, its total tax under section 207 (a) is $27,750 ($13,800 plus $13,950).

Example (3). The Z Exchange, an interinsurer, for the calendar year 1950 has corporation surtax net income of $102,700 and, due to partially tax-exempt interest of $52,700, normal-tax net income of $50,000. The gross amount received from interest, dividends, rents, and premiums (including deposits and assessments) is $2,500,000. The Z Exchange is not subject to normal tax under section 207 (a) (3) for the taxable year as its normal-tax net income does not exceed $50,000. The surtax under section 207 (a) (3) of the Z Exchange for the taxable year is $14,229, one and one-half times $9,486, the surtax which would be computed under section 15 (b) (2) if the corporation surtax net income were reduced by $25,000 ($10,013 (19 percent of $52,700, excess of $77,700, corporation surtax net income of $102,700 reduced by $25,000, over $25,000) reduced by $527 (1 percent of $52,700, the lower of $52,700, amount of partially tax-exempt interest, or $52,700, excess of $77,700, corporation surtax net income of $102,700 reduced by $25,000, over $25,000)), since this is less than the surtax on corporation surtax net income of $102,700 computed as provided in section 15 (b) (2). The surtax computed as provided in section 15 (b) (2) would be $14,236, tentative surtax of $14,763 (19 percent of $77,700, excess of corporation surtax net income of $102,700 over $25,000) reduced by $527 (1 percent of $52,700, the lower of $52,700, amount of partially tax-exempt interest, or $77,700, excess of corporation surtax net income over $25,000). Since the Z Exchange has no normal tax, is not subject to the tax imposed by section 207 (a) (2), and is not entitled to the adjustment provided in section 207 (a) (4), as its gross receipts are not less than $125,000, its total tax under section 207 (a) is $14,229.

Example (4). If in the above example the partially tax-exempt interest were $53,500, the surtax under section 207 (a) (3) of the Z Exchange for the calendar year 1950, computed as provided in section 15 (b) (2), would be $14,228 (tentative surtax of $14,763, 19 percent of $77,700, reduced by $535, 1 percent of $53,500), since it is less than $14,229, one and one-half times $9,486, the surtax which would be computed under section 15

(b) (2) if the corporation surtax net income were reduced by $25,000.

(e) *Taxable years beginning after December 31, 1950, and ending after March 31, 1951.* (1) For any taxable year beginning after December 31, 1950, and ending after March 31, 1951, the normal tax under section 207 (a) (1) and 207 (a) (3), except as hereinafter indicated, is computed upon normal-tax net income at the following rates:

	Percent
For taxable years beginning after Dec. 31, 1950, and before Apr. 1, 1951, and ending after Mar. 31, 1951	28¾
For taxable years beginning after Mar. 31, 1951, and before Apr. 1, 1954	30
For taxable years beginning after Mar. 31, 1954	25

(2) For any taxable year beginning after December 31, 1950, and ending after March 31, 1951, the surtax under section 207 (a) (1) and 207 (a) (3), except as hereinafter indicated, is computed on that portion of the corporation surtax net income in excess of $25,000 at the rate of 22 percent. The tax under section 207 (a) (2), except as hereinafter indicated, is 1 percent of the gross amount of income from interest, dividends, rents, and net premiums, minus dividends to policyholders and minus wholly tax-exempt interest.

(3) Under section 207 (a) (1) companies with normal-tax net incomes of over $3,000 and not over $6,000 pay a normal tax, at a specified rate, on that portion of the normal-tax net income in excess of $3,000. The rates applicable for the respective taxable years in computing the normal tax of such companies are as follows:

	Percent
For taxable years beginning after Dec. 31, 1950, and before Apr. 1, 1951, and ending after Mar. 31, 1951	57½
For taxable years beginning after Mar. 31, 1951, and before Apr. 1, 1954	60
For taxable years beginning after Mar. 31, 1954	50

Under section 207 (a) (2) companies with gross amounts of income from interest, dividends, rents, and net premiums, minus dividends to policyholders and minus wholly tax-exempt interest, of over $75,000 and not over $150,000 pay a tax equal to 2 percent of that portion in excess of $75,000. Under section 207 (a) (3) interinsurers and reciprocal underwriters with normal-tax net incomes of over $50,000 and not over $100,000 pay a normal tax computed on that portion of the normal-tax net income in excess of $50,000 at the following rates:

	Percent
For taxable years beginning after Dec. 31, 1950, and before Apr. 1, 1951, and ending after Mar. 31, 1951	57½
For taxable years beginning after Mar. 31, 1951, and before Apr. 1, 1954	60
For taxable years beginning after Mar. 31, 1954	50

Under section 207 (a) (3) interinsurers and reciprocal underwriters with corporation surtax net incomes of over $50,000 and not over $100,000 pay a surtax, at the rate of 33 percent, on that portion of the corporation surtax net income in excess of $50,000.

(4) Section 207 (a) (4) provides for an adjustment of the amount computed under section 207 (a) (1), section 207 (a) (2) (A), and section 207 (a) (3) where the gross amount received during the taxable year from interest, dividends, rents, and premiums (including deposits and assessments) is over $75,000 and less than $125,000. The adjustment reduces the tax otherwise computed under those sections to an amount which bears the same proportion to such tax as the excess over $75,000 bears to $50,000.

(5) The application of section 207 (a) (1), (2), (3), and (4) may be illustrated by the following examples:

Example (1). The W Company, a mutual casualty insurance company, for the calendar year 1952 has corporation surtax net income of $5,500 and, due to partially tax-exempt interest of $800, normal-tax net income of $4,700. The gross amount of income of the W Company from interest, dividends, rents, and net premiums, minus dividends to policyholders and wholly tax-exempt interest, is $150,000. Its normal tax under section 207 (a) (1) for the calendar year 1952 is 60 percent of $1,700 ($4,700—$3,000), or $1,020, since its normal-tax net income is not over $6,000. It is not liable for surtax for the calendar year 1952 as its surtax net income does not exceed $25,000. It has no surtax and, therefore, its total tax under section 207 (a) (1) is the normal tax of $1,020. The tax under section 207 (a) (2) is 2 percent of $75,000 ($150,000—$75,000), or $1,500. Since the tax under section 207 (a) (2) exceeds the tax under section 207 (a) (1), the tax under section 207 (a) is $1,500, namely, that imposed by section 207 (a) (2).

Example (2). If in the above example the normal-tax net income were not over $3,000, the corporation surtax net income were not over $25,000, the gross amount received from interest, dividends, rents, and premiums (including deposits and assessments) were $90,000, and the gross amount of income from interest, dividends, rents, and net premiums, minus dividends to policyholders and wholly tax-exempt interest, were $70,000, the W Company would be required to file an income tax return but due to section 207 (a) no income tax would be imposed.

Example (3). The X Company, a mutual casualty insurance company, for the calendar year 1952 has corporation surtax net income of $28,000 and, due to partially tax-exempt interest of $5,000, normal-tax net income of $23,000. The gross amount of income of the X Company from interest, dividends, rents, and net premiums, minus dividends to policyholders and wholly tax-exempt interest, is $1,200,000. Under section 207 (a) (1) its normal tax for the calendar year 1952 is 30 percent of $23,000, or $6,900, and the surtax is 22 percent of $3,000 ($28,000–$25,000), or $660. The combined tax under section 207 (a) (1) is $7,560 ($6,900 plus $660). The tax under section 207 (a) (2) is 1 percent of $1,200,000, or $12,000. Since the tax under section 207 (a) (2) exceeds the tax under section 207 (a) (1), the tax under section 207 (a) is $12,000, namely, that imposed by section 207 (a) (2).

Example (4). The Y Company, a mutual fire insurance company subject to the tax imposed by section 207, for the calendar year 1952 has corporation surtax net income of $35,000 and, due to partially tax-exempt interest of $5,000, normal-tax net income of $30,000. The gross amount received from interest, dividends, rents, and premiums (including deposits and assessments) is $120,000, and the gross amount of income from interest, dividends, rents, and net premiums, minus dividends to policyholders and wholly tax-exempt interest, is $100,000. Under section 207 (a) (1), without application of section 207 (a) (4), the normal tax would be 30 percent of $30,000, or $9,000, since this is less than $16,200, 60 percent of $27,000 (excess of normal-tax net income of $30,000 over $3,000); and the surtax would be 22 percent of $10,000 (excess of corporation surtax net income of $35,000 over $25,000), or $2,200. The combined tax of $11,200 ($9,000 plus $2,200) would then be reduced by applying section 207 (a) (4), since the gross receipts are between $75,000 and $125,000. The tax under section 207 (a) (1), as thus adjusted, would be 90 percent of $11,200, or $10,080, since $45,000 (excess of $120,000 over $75,000) is 90 percent of $50,000. Under section 207 (a) (2) (A), without reference to section 207 (a) (4), the tax is 2 percent of $25,000 (excess of $100,000 over $75,000), or $500, since this is less than $1,000, 1 percent of $100,000. Applying section 207 (a) (4) reduces this to $450, or 90 percent of $500. Since $10,080, the tax under section 207 (a) (1), as adjusted, exceeds $450, the tax under section 207 (a) (2), as adjusted, the tax under section 207 (a) (1), as adjusted, is applicable. The Y Company would accordingly pay a combined normal tax and surtax of $10,080.

Example (5). The Z Exchange, an interinsurer, for the calendar year 1952 has corporation surtax net income of $60,000 and, due to partially tax-exempt interest of $12,000, normal-tax net income of $48,000. The gross amount received from interest, dividends, rents, and premiums (including deposits and assessments) is $2,700,000. The Z Exchange is not liable for normal tax under section 207 (a) (3) for the calendar year 1952 as its normal-tax net income does not exceed $50,000. Its surtax is 33 percent of $10,000 ($60,000—$50,000), or $3,300, since that amount is less than $7,700, 22 percent of $35,000 (excess of corporation surtax net income of $60,000 over $25,000). Since the Z Exchange has no normal tax, is not subject to the tax imposed by section 207 (a) (2), and is not entitled to the adjustment provided in section 207 (a) (4), its total tax under section 207 (a) is $3,300.

PAR. 23. There is inserted immediately preceding § 29.231–1 the following:

SEC. 121. INCREASE IN RATE OF CORPORATION INCOME TAXES (PART II, TITLE I, REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(g) *Technical amendments.*

* * * * *

(5) Effective with respect to taxable years beginning after June 30, 1950, and with respect to taxable years beginning on January 1, 1950, and ending on December 31, 1950, section 231 (b) (relating to foreign corporations engaged in trade or business within the United States) is hereby amended by striking out "section 14 (c) (1)" and inserting in lieu thereof "section 13".

PAR. 24. Section 29.231–1, as amended by Treasury Decision 5709, approved June 27, 1949, is further amended by striking out all of paragraph (b) of such section other than the last paragraph thereof which is redesignated subparagraph (6) and inserting in lieu thereof the following:

(b) *Resident foreign corporations.* (1) A resident foreign corporation is not taxable upon the items of fixed or determinable annual or periodical income enumerated in section 231 (a) at the rate specified in that section. For taxable years beginning before July 1, 1950 (other than the calendar year 1950), a resident foreign corporation is, under section 14 (c) (1), liable to a tax of 24 percent of its normal-tax net income (regardless of the amount thereof). For a taxable year which is the calendar year

1950 and for taxable years beginning after June 30, 1950, a resident foreign corporation is, under section 13, liable to a tax in an amount equal to a specified percent of its normal-tax net income. The rates of tax under section 13 applicable for the respective taxable years are as follows:

	Percent
For a taxable year which is the calendar year 1950	23
For taxable years beginning after June 30, 1950, and before Apr. 1, 1951 (other than the calendar year 1951)	25
For a taxable year which is the calendar year 1951	28¾
For taxable years beginning after Mar. 31, 1951, and before Apr. 1, 1954	30
For taxable years beginning after Mar. 31, 1954	25

(2) The normal-tax net income of a resident foreign corporation is its net income from sources within the United States (gross income from sources within the United States minus the statutory deductions provided in sections 23 and 232) less, for taxable years beginning before January 1, 1946, the credits provided in section 26 (a), (b), and (e) for such years, and less, for taxable years beginning after December 31, 1945, the credits provided in section 26 (a) and (b) for such years.

(3) A resident foreign corporation is also liable to the corporation surtax imposed by section 15.

(i) For taxable years beginning before January 1, 1946, the rates of corporation surtax are as follows:

(*a*) Upon corporation surtax net incomes of $25,000 or less, 10 percent of the amount thereof.

(*b*) Upon corporation surtax net incomes over $25,000 but not over $50,000, $2,500 plus 22 percent of the amount of such income in excess of $25,000.

(*c*) Upon corporation surtax net incomes of more than $50,000, 16 percent of the entire amount thereof.

(ii) For a taxable year beginning after December 31, 1945, and before July 1, 1950 (other than the calendar year 1950), the rates of corporation surtax are as follows:

(*a*) Upon corporation surtax net incomes of $25,000 or less, 6 percent of the amount thereof.

(*b*) Upon corporation surtax net incomes over $25,000 but not over $50,000, $1,500 plus 22 percent of the amount of such income in excess of $25,000.

(*c*) Upon corporation surtax net incomes of more than $50,000, 14 percent of the entire amount thereof.

(iii) For a taxable year which is the calendar year 1950, the surtax is determined by computing a tentative surtax of 19 percent of the amount of the corporation surtax net income in excess of $25,000, and by reducing such tentative surtax by an amount equal to 1 percent of the lower of:

(*a*) The amount of the credit provided in section 26 (a), or

(*b*) The amount by which the corporation surtax net income exceeds $25,000.

(iv) For taxable years beginning after June 30, 1950, the surtax is at the rate of 22 percent and is upon corporation surtax net income in excess of $25,000.

(4) The corporation surtax net income of a resident foreign corporation is its net income from sources within the United States (gross income from sources within the United States minus the statutory deductions provided in sections 23 and 232) less, for taxable years beginning before January 1, 1946, the credits provided in section 26 (b) and (e) for such years, and less, for taxable years beginning after December 31, 1945, the credit provided in section 26 (b) for such years. For the purpose of determining the corporation surtax net income of a resident foreign corporation, the credit provided in section 26 (b) is limited, for a taxable year beginning before January 1, 1946, to 85 percent of its net income from sources within the United States reduced by the credit provided in section 26 (e) for such year, and, for a taxable year beginning after December 31, 1945, and ending before January 1, 1950, to 85 percent of its adjusted net income from sources within the United States, and, for a taxable year ending after December 31, 1949, to 85 percent of its adjusted net income from sources within the United States computed without regard to the deduction for net operating loss allowed by section 23 (s).

(5) For taxable years beginning in 1945 and ending in 1946, see § 29.108–2. For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (other than the calendar year 1950), see § 29.108–5. For taxable years beginning after June 30, 1950, and before April 1, 1951, and ending after March 31, 1951 (other than the calendar year 1951), see § 29.108–6. For taxable years beginning before April 1, 1954, and ending after March 31, 1954, see § 29.108–9.

PAR. 25. Section 29.251–3 is amended by striking out the first sentence of the section and inserting in lieu thereof the following: "For taxable years beginning before July 1, 1950 (other than the calendar year 1950), a domestic corporation entitled to the benefits of section 251 is, under section 251 (c) (1), subject to the tax imposed by section 13 if it has a normal-tax net income of more than $25,000 (see § 29.13–1), or to the tax provided by section 14 (b) if it has a normal-tax net income of not more than $25,000 (see § 29.14–1). For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, a domestic corporation entitled to the benefits of section 251 is, under section 251 (c) (1), subject to the normal tax on corporations imposed by section 13 (see § 29.13–1)."

PAR. 26. Section 29.261–1 is amended by striking out the first sentence of the section and inserting in lieu thereof the following: "For taxable years beginning before July 1, 1950 (other than the calendar year 1950), a China Trade Act corporation is, under section 261 (a), subject to the tax imposed by section 13 (b) if it has a normal-tax net income of more than $25,000 (see § 29.13–1), or to the tax provided by section 14 (b) if it has a normal-tax net income of not more than $25,000 (see § 29.14–1). For a taxable year which is the calendar year 1950 and for taxable years beginning after June 30, 1950, a China Trade Act corporation is, under section 261 (a), subject to the normal tax on corporations imposed by section 13 (see § 29.13–1)."

PAR. 27. There is inserted immediately preceding § 40.430–1 the following:

SEC. 121. INCREASE IN RATE OF CORPORATION NORMAL TAX (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * * *

(b) *Maximum tax.* Section 430 (a) (2) (relating to the limitation on the rate of the excess profits tax) is hereby amended as follows:

(1) By inserting after "(2)" the following: "(A) in the case of taxable years ending before April 1, 1951,".

(2) By striking out the period at the end of paragraph (2) and inserting ", or" and by adding after paragraph (2) the following:

(B) in the case of taxable years beginning on January 1, 1951, and ending on December 31, 1951, an amount equal to 17¼ per centum of the excess profits net income for the taxable year, except that in the case of an affiliated group of includible corporations making or required to make a consolidated return for the taxable year under section 141, such amount shall be reduced by an amount which bears the same ratio (but not in excess of 100 per centum) to the increase of 2 per centum in the surtax imposed by reason of section 141 (c) as the amount of the consolidated excess profits net income bears to the amount of the consolidated corporation surtax net income, or

(C) in the case of taxable years beginning after March 31, 1951, an amount equal to 18 per centum of the excess profits net income for the taxable year, except that in the case of an affiliated group of includible corporations making or required to make a consolidated return for the taxable year under section 141, such amount shall be reduced by an amount which bears the same ratio (but not in excess of 100 per centum) to the increase of 2 per centum in the surtax imposed by reason of section 141 (c) as the amount of the consolidated excess profits net income bears to the amount of the consolidated corporation surtax net income, or.

* * * * *

SEC. 125. EFFECTIVE DATE (PART II, TITLE I, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

The amendments made by this part (inc. sec. 121 (b)) shall be applicable only with respect to taxable years beginning after March 31, 1951, and to taxable years beginning on January 1, 1951, and ending on December 31, 1951, * * * For treatment of taxable years (other than the calendar year 1951) beginning before April 1, 1951, and ending after March 31, 1951, see section 131.

PAR. 28. Section 40.430–2 is amended as follows:

(A) By inserting in paragraph (a) (1) (ii) the following introductory phrase to the first sentence: "In the case of taxable years ending before April 1, 1951,".

(B) By striking out the period at the end of paragraph (a) (1) (ii) of the section and inserting in lieu thereof a comma and "or" and by inserting after such (ii) as so amended the following:

(iii) In the case of a taxable year which is the calendar year 1951, an amount equal to 17¼ percent of the excess profits net income for the taxable year, except that in the case of an affiliated group of includible corporations making or required to make a consolidated return for the taxable year under section 141, such amount shall be reduced by an amount which bears the same ratio (but not in excess of 100 percent) to the increase of 2 percent in the surtax im-

posed by reason of section 141 (c) as the amount of the consolidated excess profits net income bears to the amount of the consolidated corporation surtax net income, or

(iv) In the case of taxable years beginning after March 31, 1951, an amount equal to 18 percent of the excess profits net income for the taxable year, except that in the case of an affiliated group of includible corporations making or required to make a consolidated return for the taxable year under section 141, such amount shall be reduced by an amount which bears the same ratio (but not in excess of 100 percent) to the increase of 2 percent in the surtax imposed by reason of section 141 (c) as the amount of the consolidated excess profits net income bears to the amount of the consolidated corporation surtax net income.

(C) By striking out in paragraph (a) (2) of the section "section 430 (a) (2)" wherever appearing therein and inserting in lieu thereof "section 430 (a) (2) (A)".

(53 Stat. 32, 467; 26 U. S. C. 62, 3791)

[SEAL] JUSTIN F. WINKLE,
Acting Commissioner of Internal Revenue.

Approved: December 2, 1952.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 52-12933; Filed, Dec. 5, 1952; 8:49 a. m.]

[T. D. 5952; Regs. 130]

PART 40—EXCESS PROFITS TAXES; TAXABLE YEARS ENDING AFTER JUNE 30, 1950

EQUITY CAPITAL OF SECTION 204 INSURANCE COMPANIES

On October 1, 1952, notice of proposed rule making with respect to regulations under section 437 (c) of the Internal Revenue Code, as amended by Public Law 166, 82d Congress, approved October 10, 1951, was published in the FEDERAL REGISTER (17 F. R. 8692). No objection to the rules having been received, the amendments of Regulations 130 set forth below are hereby adopted.

PARAGRAPH 1. There is inserted immediately preceding § 40.437–1 the following:

PUBLIC LAW 166 (82d CONGRESS), APPROVED OCTOBER 10, 1951

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 437 (c) of the Internal Revenue Code is amended by striking out "(other than mutual and other than life or marine)" and inserting in lieu thereof "taxable under the provisions of section 204".

SEC. 2. The amendment made by section 1 shall have the same effect as if it had been a part of the said section 437 (c) on January 3, 1951.

PAR. 2. The first sentence of paragraph (b) (5) of § 40.437–5 is amended by deleting the parenthetical phrase "(other than mutual and other than life or marine)" and inserting in lieu thereof "taxable under the provisions of section 204". Such sentence as amended will read as follows: "In the case of an insurance company taxable under the provisions of section 204, the equity capital shall include 50 percent of its reserves required by law, except the reserve for unearned premiums used in computing borrowed capital under section 439 (b) (2)."

(53 Stat. 32, 467; 26 U. S. C. 62, 3791)

[SEAL] JOHN S. GRAHAM,
Acting Commissioner of Internal Revenue.

Approved: December 2, 1952.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 52-12935; Filed, Dec. 5, 1952; 8:50 a. m.]

[T. D. 5953; Regs. 130]

PART 40—EXCESS PROFITS TAX; TAXABLE YEARS ENDING AFTER JUNE 30, 1950

MINERAL PROPERTIES; DETERMINING NONTAXABLE INCOME FROM EXEMPT EXCESS OUTPUT

On August 26, 1952, notice of rule making, clarifying certain provisions of Regulations 130, relating to nontaxable income from certain mining operations and to reflect certain provisions of the Revenue Act of 1951, approved October 20, 1951, was published in the FEDERAL REGISTER (17 F. R. 7789). After consideration of all relevant matters presented by interested persons regarding the rules proposed, the amendments to Regulations 130 (26 CFR Part 40) set forth below are hereby adopted.

PARAGRAPH 1. There is inserted immediately preceding § 40.453–1, the following:

SEC. 515. NONTAXABLE INCOME FROM CERTAIN MINING PROPERTIES (TITLE V, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

Section 453 (relating to nontaxable income from exempt excess output) is hereby amended as follows:

(a) By amending the first sentence of subsection (a) (13) thereof to read as follows: "The term 'unit net income' means the amount ascertained by dividing the net income (computed with the allowance for depletion) from the coal, ore, sulphur, potash, metallurgical grade limestone, chemical grade limestone, or timber recovered from the mineral property, or timber block, as the case may be, during the taxable year by the number of units of such mineral or timber recovered from such property in such year."

(b) By inserting immediately after the words "coal mining property" in subsection (b) (2) thereof the following: ", or of a sulphur, potash, metallurgical grade limestone, or chemical grade limestone mineral property,".

(c) By striking out so much of subsection (b) (4) as precedes the second sentence and inserting in lieu thereof the following:

(4) *Certain properties not in operation during normal period.* For any taxable year, the nontaxable income from exempt excess output of a metal or coal mining property, of a sulphur, potash, metallurgical grade limestone, or chemical grade limestone mineral property, of a timber block, or of a natural gas property, which was not in operation during the normal period, shall be an amount equal to one-third of the net income for such taxable year (computed with the allowance for depletion) from such property or timber block, as the case may be.

SEC. 523. EFFECTIVE DATE OF TITLE V (TITLE V, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

* * * the amendments made by this title (including section 515) shall be applicable only with respect to taxable years ending after June 30, 1950.

PAR. 2. Section 40.453–2 (g) is amended to read as follows:

(g) *Alternative computation of exempt excess output for more than one mineral property.* (1) Section 453 (a) (10) provides that where more than one mineral property (as defined in paragraph (f) of this section) is owned or operated by a producer or lessor (as defined in paragraph (a) (1) and (2) of this section), such producer or lessor may elect to treat the mineral properties as one property for the purpose of applying section 453 (b) (1). If the taxpayer elects under section 453 (a) (10), such properties shall be aggregated and treated as one property to the extent provided under the rules set forth in paragraph (m) (2) and (3) of this section. In the case of a taxpayer making the election under section 453 (a) (10), a coal or mineral property not in operation during the normal period (see section 453 (a) (4) and paragraph (d) of this section) shall be included with such properties which were in operation during the normal period to the extent such property which was not in operation during the normal period may be so included under the rules set forth in paragraph (m) (2) and (3) of this section.

(2) In the case of a taxpayer making the election under section 453 (a) (10), the net income from the coal or mineral property shall be computed in a manner similar to that described in paragraph (j) of this section with respect to a mineral property as if the properties aggregated under subparagraph (1) of this paragraph were a mineral property, except that the amount of depletion allowed in the computation of such net income shall be the sum of the amounts computed according to sections 23 (m) and 114, and the regulations thereunder.

(3) The election pursuant to section 453 (a) (10) shall be made in a statement attached to Schedule EP (Form 1120) accompanying the income tax return, filed on or before the last day required by law for the filing of such return, for the taxable year for which the election is being made. The last day required by law for filing of such return includes the last day of the period of any extension of time granted for such filing. Such election must be made for each taxable year for which the benefits of section 453 (a) (10) are claimed and such an election does not preclude the taxpayer from electing for a subsequent year to compute nontaxable income from exempt excess output by treating the mineral properties as separate properties under the rules set forth in paragraph (f) of this section. If the taxpayer has failed so to elect or desires to change its election, such election or change in election may, subject to the

approval of the Commissioner, be made by the taxpayer filing with the Commissioner of Internal Revenue, Washington 25, D. C., within the period of limitations for the filing of claims for credit or refund with respect to the year or years involved, a notice of its election or change in election accompanied by a recomputation of its income and excess profits taxes for such years. If the recomputation results in an overpayment for any of such years, the taxpayer should file a claim for refund on Form 843 in accordance with the provisions of section 322.

PAR. 3. Section 40.453–2 (m) is amended as follows:

(A) By striking the word "ore" wherever appearing in subparagraph (1) and by inserting in lieu thereof the following: "mineral".

(B) By adding the following new sentence at the end of subparagraph (2): "A coal property not in operation during the normal period (see section 453 (a) (4) and paragraph (d) of this section) shall be included with properties which were in operation during the normal period to the extent such properties which were not in operation during the normal period may be so included under the rules set forth in this section.

(C) By amending subparagraph (3) to read as follows:

(3) For the purpose of section 453 (a) (13) and section 453 (b) (2), a mineral property shall include the aggregate of all tracts or parcels of land containing mineral deposits in which economic interests were owned, and from which minerals were extracted, by the taxpayer at any time after the beginning of the normal period (excluding, however, any tract or parcel of land in which an economic interest was acquired, and from which minerals were extracted, by any other person subsequent to the last date of ownership and operation by the taxpayer) to the extent that such tracts or parcels of land were operated by the taxpayer as an operation unit, regardless of whether the economic interest in one tract or parcel of land differed from that in another. The mineral property of a lessor is the tract or parcel of land containing mineral deposits in which an economic interest is owned by the lessor. It need not necessarily be coextensive with the mineral property in the case of the producer. A mineral property not in operation during the normal period (see section 453 (a) (4) and paragraph (d) of this section) shall be included with properties which were in operation during the normal period to the extent such properties which were not in operation during the normal period may be so included under the rules set forth in this section.

(D) By amending subparagraph (4) of such paragraph to read as follows:

(4) The net income (computed with the allowance for depletion) from the coal or the mineral recovered from the mining property during a taxable year for which the benefits of section 453 (b) (2) are claimed shall be the net income from the mining property from which such coal or mineral is recovered, computed in a manner similar to that described in paragraph (j) of this section with respect to a mineral property as if such mining property were a mineral property, except that the amount of depletion allowed in the computation of such net income shall be the sum of the amounts computed according to sections 23 (m) and 114, and the regulations thereunder.

(E) By striking the word "ore" wherever appearing in subparagraph (13) of such paragraph and by inserting in lieu thereof the following: "mineral".

PAR. 4. Section 40.453–3 (b) is amended as follows:

(A) By striking the headnote of such paragraph which reads *Metal and coal mines* and inserting in lieu thereof *Mines in operation during normal period.*

(B) By inserting immediately after subparagraph (4) the following new subparagraph:

(5) The computation of nontaxable income from exempt excess output in the case of those mineral properties, in addition to metal or coal mining properties, which are referred to in section 453 (b) (2) shall be made in a manner consistent with that set forth in subparagraphs (1) through (4) of this paragraph.

PAR. 5. Section 40.453–4 is amended as follows:

(A) By striking the heading of such section which reads *"Mines, timber properties, and natural gas properties not in operation during normal period."* and by inserting in lieu thereof the following: *"Certain properties not in operation during normal period."*

(B) By inserting immediately after "coal mining property," wherever appearing in such section the following: "certain other mineral properties referred to in section 453 (b) (4),".

(53 Stat. 32, 467; 26 U. S. C. 62, 3791)

[SEAL] JUSTIN F. WINKLE,
Commissioner of Internal Revenue.

Approved: December 2, 1952.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 52–12936; Filed, Dec. 5, 1952; 8:51 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter IV—Joint Regulations of the Armed Forces

Subchapter A—Armed Services Procurement Regulation

MANUAL FOR CONTROL OF GOVERNMENT PROPERTY IN POSSESSION OF NONPROFIT RESEARCH AND DEVELOPMENT CONTRACTORS

APPENDIX C—MANUAL FOR CONTROL OF GOVERNMENT PROPERTY IN POSSESSION OF NONPROFIT RESEARCH AND DEVELOPMENT CONTRACTORS

PART I—INTRODUCTION

100. *Scope of Manual.* This manual sets forth basic requirements to be observed by the Departments of the Army, Navy and Air Force, for establishing and maintaining control over Government property furnished to or acquired by contractors in the case of research and development contracts with educational or other non-profit organizations, provided such contracts are executed on a non-profit basis.

101. *Effective date.* This manual shall be complied with on and after 1 July 1952.

102. *Applicability of Manual.* Subject to paragraph 100 above, this manual applies to all types of contracts, leases, and bailments, pursuant to which Government property is furnished to or acquired by a contractor.

103. *Definitions.* As used in this manual, the following terms have the meanings shown:

103.1 *Educational or other non-profit organization.* The term "educational or other non-profit organization" means any corporation, foundation, trust, or institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profit of any private shareholder or individual.

103.2 *Contract Administrator.* The term "Contract Administrator" means the individual duly designated by appropriate authority in the military departments to administer the contract. In the case of the Army and Air Force, this is a Contracting Officer, and in the Navy, the authorized representative of the Contracting Officer having administrative cognizance over the contract.

103.3 *Government Property.* The term "Government Property" means all physical property owned by or leased to the Government, or acquired by the Government under the terms of a contract, except that property to which the Government has acquired a lien or title solely as a result of partial, advance or progress payments shall not for the purpose of this section be classified as Government Property. With this exception, it includes both Government-furnished property and Contractor-acquired property, which are defined as follows:

(a) *Government-furnished property* is property in the possession of or acquired directly by the Government and delivered or otherwise made available to the Contractor; and

(b) *Contractor-acquired property* is property procured or otherwise provided by the Contractor for the performance of a contract, pursuant to the terms of which title is vested in the Government.

The term "provide" as used in this manual in such phrases as "Government provided property" and "property provided by the Government" shall include both the furnishing by the Government and the acquisition by the Contractor as defined in this paragraph 103.3.

103.4 *Classification of Government property.* The terms "classify", and "classification" as used herein with reference to Government property refer to the grouping of property into different categories having different incidents. For purposes of this manual, Government property shall be classified in five categories, defined as follows:

(a) *Real property.* The term "real property" means lands, buildings, structures, improvements and appurtenances thereto. It does not include plant equipment as defined in subparagraph (b) below.

(b) *Plant equipment.* The term "plant equipment" means personal property consisting of machinery, vehicles, machine tools, and other equipment which, in view of its intended use, is expected to remain of substantial value over a period of more than one year in its original form, without being expended and without appreciable modification or incorporation into another piece of equipment, except that items of value of less than $100.00 each will not be considered as "plant equipment" within this definition but will be considered as minor equipment. The

term does not include special tooling as defined in subparagraph (e) below.

(c) *Minor equipment.* The term "minor equipment" means any item of equipment of a capital nature which would be plant equipment except that its value is less than $100.00 each. It does not include any items acquired under material or special tooling clauses in a supply or service contract.

(d) *Material.* The term "material" means all property other than real property, plant equipment, minor equipment or special tooling. It may be incorporated into or attached to the end products to be delivered to the Government; or it may be consumed, expended or used in the performance of a contract. It includes, but is not limited to, raw and processed material, parts, components, assemblies, expendable small tools, and consumable supplies.

(e) *Special tooling.* The term "special tooling" means property of such specialized nature that its use, without substantial modification or alteration, is limited to the production of the particular articles or performance of the particular services for which acquired or furnished. It includes, but is not limited to jigs, dies, fixtures, molds, patterns, special taps, special gauges, and special test equipment.

103.5 *Property Administrator.* The term "Property Administrator" means the Government representative who is responsible to the Contract Administrator for reviewing the Contractor's property control procedures, for checking the records maintained by the Contractor for Government-furnished and Contractor-acquired property, for making usage checks of Government property, and for the maintenance of such Government property records as are required by this manual.

103.6 *Property Account.* The term "Property Account" means the official records of the Government property provided to a Contractor by a Department, which are established and maintained under the provisions of this manual. Separate property accounts will be maintained either on an individual contract basis or Contractor basis.

103.7 *Stock record.* The term "stock record" means a perpetual inventory form of record which shows the quantities received and issued, and the balance on hand with respect to each item of material and special tooling.

103.8 *Salvage.* The term "salvage" means property which is recovered for further use. In addition, this term includes property which, because of its worn, damaged, deteriorated, or incomplete condition, or specialized nature, has no reasonable prospect of sale or use as serviceable property without major repairs or alterations, but which has some value in excess of its material content.

103.9 *Scrap.* The term "scrap" means property in such condition that it has no reasonable prospect of being sold except for its material content.

PART II—GOVERNMENT ADMINISTRATIVE PROVISIONS

200. *Scope of part.* This part sets forth (i) the duties and responsibilities of Government representatives charged with the control of Government property (ii) the sources from which Government property may be received or acquired, and (iii) the instructions to Government representatives for the control of Government property, both physically and administratively.

201. *Duties and responsibilities of the Contract Administrator with respect to the control of Government property.* (a) The function of the Contract Administrator with respect to the control of Government property is to insure that the Contractor complies with the provisions of the contract and this manual pertaining to Government property and that the Government's interests therein are fully protected at all times. He shall require the Contractor to (i) exercise reasonable care and proper usage of all Government property, (ii) establish and maintain adequate records therefor, and (iii) maintain controls that will assure the recording of all debits and credits to the property record as hereinafter defined.

(b) It is incumbent upon the Contract Administrator to familiarize himself with the provisions of this manual and the contract involved.

(c) He shall require the Contractor to correct all deficiencies in complying with the provisions of the contract and this manual pertaining to Government property.

(d) He shall take proper action with respect to recommendations of the Property Administrator relating to usage or control of Government property.

(e) He shall make appropriate written findings with respect to the Contractor's liability for Government property lost, damaged, destroyed, or unreasonably consumed, as may be required by this manual.

202. *Designation of Property Administrator.* (a) A Property Administrator shall be designated for each Government contract involving Government property. In appropriate cases the Contract Administrator may be assigned the additional duty of Property Administrator.

(b) When a Contractor is engaged simultaneously in the performance of contracts for more than one procuring activity, one Property Administrator may be designated for all contracts upon mutual agreement of the procuring activities concerned.

(c) Assistant Property Administrators for specific contracts may be appointed in accordance with the procedures of each Department.

(d) Property Administrators may be civilian or military personnel.

(e) The Property Administrator will not be required by virtue of his duty as Property Administrator to post a bond.

203. *Duties and responsibilities of the Property Administrator.* (a) The Property Administrator shall familiarize himself with the provisions of this manual and the contract provisions pertaining to Government property.

(b) He shall, as the authorized representative of the Contract Administrator, insure compliance with the contract requirements relative to Government property and insure fulfillment of all obligations imposed by this manual.

(c) He shall examine any documents, including but not limited to consumption or usage reports, adjustment reports, reports of spoilage or shrinkage, sales, shipments, transfers, etc., recorded by the Contractor in the property accounts, to the extent necessary to establish the correctness and completeness of such records.

(d) It shall be his responsibility to report to the Contracting Officer any instances of what he deems to be improper usage of Government property. To the extent necessary to fulfill this function selective physical inspections of Government property shall be made.

(e) He shall periodically examine property records to determine whether such records reflect the status of Government property and indicate compliance with the provisions of the contract and applicable directives. He shall report promptly in writing to the Contract Administrator any non-compliance by the Contractor with the contract provisions and applicable directives.

(f) He will observe the following procedure in connection with loss, damage, and destruction of Government property in the possession of the Contractor:

(i) He will require the Contractor to report to him all cases of loss, damage, or destruction of Government property in its possession, as soon as such fact becomes known. He will forward such report to the Contract Administrator, together with his own report of the facts of the case and his recommendations thereon. If the Contract Administrator is the Contracting Officer, he will thereupon determine the Contractor's liability, subject to the terms of the contract; otherwise he will forward the papers to the Contracting Officer, who will make such determination. In making any such determination, consideration will be given to the reports and recommendations submitted and to any additional facts which the Contractor may submit. The Contractor and the Property Administrators shall be furnished with a written copy of such determination. A copy shall be held in the files of the Contract Administrator.

(ii) When inventory adjustments or usage checks disclose consumption of property which is considered unreasonable by the Property Administrator, or when instances of losses, damages to, or destruction of Government property, which have not been reported by the Contractor, are discovered by the Property Administrator, he shall prepare a statement of the items and amount of loss involved. This statement shall be furnished the Contractor for investigation and written justification. Further procedure shall be in accordance with that prescribed in (i) above.

(iii) When end items are lost, destroyed, or damaged beyond repair while such items are in the physical possession or control of the Contractor, the action prescribed in subparagraph (i) above will be required.

(iv) Where it has been determined that the Contractor is liable to the Government by reason of the loss, damage, or destruction of Government property, a letter of advice from the Contract Administrator shall be considered a valid credit to the official Government property records, provided:

(A) When the Contractor pays by check, the letter of advice will identify the check received by number, date, and amount.

(B) When a settlement is made by offset against amounts due to the Contractor on a public voucher, the letter of advice will cite the actual voucher (Form 1034) on which the deduction is made.

(C) When collection of the claim against the Contractor is to be made by the fiscal office designated for the contract, the letter of advice will have attached thereto a copy of the document used by the Contract Administrator to notify the fiscal office to effect collection.

(v) When property is rendered unserviceable by damage thereto, the letter of advice from the Contract Administrator will be considered a valid credit to the Government property account when supported by or appropriately cross-referenced to shipping documents or listing covering proper disposition of the unserviceable items.

(h) He shall take the action necessary to insure that his records of the transactions discussed in paragraph 204 below are complete.

(i) He shall review and approve the contractor's scrap procedures and records as provided in paragraph 212 of this manual.

(j) He shall advise the Contract Administrator on all property matters.

204. *Shipment and receipt of Government-furnished property.* In the case of Government property shipped to a Contractor's plant from a military installation or from another Contractor's plant, the Contractor becomes responsible therefor upon delivery of the property to his plant. The shipping activity shall furnish the Property Administrator, who is responsible for the receiving Contractor's property account, with copies of the documents necessary to permit the property account to reflect the transaction. On receipt of the property the Contractor will furnish the Property Administrator with documented evidence of such receipt.

205. *Sources from which Government property may be furnished or acquired.*

205.1 *Military installations or other Contractor's plants.* Government property may

be shipped to a Contractor from military installations or plants or department contractors.

205.2 *Direct purchase by the Contractor.* Direct purchases shall be subject to a determination by the Contract Administrator that the items are allocable to the contract involved and are reasonably necessary therefor. For purposes of property control within the scope of this manual, it shall be considered that property purchased by a Contractor, for which direct reimbursement is to be requested, becomes Government property upon its receipt by the Contractor. This is "Contractor-acquired" property. This provision shall not be deemed to alter or modify contractual provisions relating to passage of title.

205.3 *Withdrawal from Contractor-owned stores.* For purposes of property control, within the scope of this manual, property withdrawn from Contractor-owned stores, for direct charge to the contract, shall be considered Government property at the time of approval of the claim for reimbursement, or at the time of issuance for use of such property for the performance of the contract, whichever is earlier. This also is "Contractor-acquired" property.

205.4 *Contract provisions, termination, contract changes.* Pursuant to specific contractual provisions, or as a result of termination of a contract, or change orders issued under a contract, the Government may acquire title to property.

205.5 *Advance, progress, or partial payments.* Pursuant to the terms of a contract the Government may acquire title to property upon the making of advance, progress, or partial payments to the Contractor. Property to which the Government has acquired a lien or title solely as a result of partial, advance, or progress payments shall not be subject to the provisions of this manual.

206. [Reserved].

207. *Contractor's records.*

207.1 *General policy.* In order to satisfactorily perform work under a Government contract, a contractor must maintain adequate control records for all Government property, whether furnished to or acquired by a contractor for the account of the Government. It is the Government's policy to designate and use such records as the official contract records, and not to maintain duplicate property control records, other than those required by paragraph 213, and other than such real property and plant equipment records as may be required by the respective departments. Exceptions to this policy may be authorized by the respective departments in special circumstances, such as where the administrative expense of maintaining Government personnel at the Contractor's plant or providing frequent official visits to the plant would exceed the cost of maintaining Government records or otherwise not to be in the best interest of the Government.

207.2 *The Contractor's property control system.* The Contractor's property control system shall be reviewed and approved in writing by the Contract Administrator. If any corrective action is necessary, it will be required of the Contractor prior to approval. Consistent with the provisions of the contract, the principles and requirements stated in the subparagraphs below shall be observed by the Contract Administrator in approving the Contractor's property control system.

207.3 *Records for material in stores.* For material maintained by the Contractor in stocks or stores, the Contractor's property control system shall be such as to provide the following information:

(i) Contract number, or equivalent code designation.

(ii) Nomenclature or description of item.

(iii) Quantity received.

(iv) Quantity issued.

(v) Balance on hand.

(vi) Posting reference.

(vii) Date received or issued.

(viii) Price.

(ix) Disposition action taken.

207.4 *Records for material issued directly upon receipt, for minor equipment, and for special tooling.* For material, whether Government-furnished or Contractor-acquired, issued by the Contractor directly so as to be considered expended under the contract, for minor equipment, and for special tooling, the Government invoices, Contractor's purchase documents, or other documentary evidence of acquisition and issue, will be accepted as adequate property control records.

207.5 *Records of plant equipment.* Individual records for each item of plant equipment shall be maintained. The following information will be available from such records:

(i) Name and address of Contractor.

(ii) Name and address of manufacturer of the plant equipment item.

(iii) Model No. of the plant equipment item.

(iv) Year built or acquired.

(v) Serial number.

(vi) U. S. Government identification number.

(vii) Description and classification of the item.

(viii) Acquisition reference.

(ix) Disposition reference.

(x) Contract number under which acquired.

(xi) Cost (F. o. b. Manufacturer).

207.6 *Records of real property.* Records of real property shall be as provided in paragraph 306 (d).

207.7 *Separated components.* Property records shall be required for any usable components which are permanently removed from items of Government property, as a result of modification, or otherwise, to the same extent as would be the case if such components had been provided separately by the Government; provided that the Contractor shall not be required to augment his property control system for the purpose of recording minor equipment, special tooling or materials, except upon return to stocks or stores.

207.8 *Custodial records.* Custodial records normally should be maintained for items issued from tool cribs or the like, guard force items, protective clothing and other items issued for the use of individuals in the performance of their work under the contract. However, it is the general policy of the Government to accept for the control of Government property of the above character the same system as employed by the Contractor for his own similar property.

207.9 *Consolidated stock record.* Where a Contractor has more than one Government contract, under which Government property is provided, a consolidated record for materials may be authorized, provided the total quantity of any item is allocated to each contract by contract number and each requisition of property from the Contractor's stores is charged to the contract on which the property is to be used. The supporting document or issue slip shall show the contract number or equivalent code designation to which the issue is charged.

207.10 *Pricing.* Property records shall show a unit price for each item except for items constructed for research or development purposes by the Contractor. In the case of Contract-acquired property the price shall be determined in accordance with the system established by the Contractor in conformance with sound accounting principles and consistently applied. The unit price of Government-furnished property shall be as determined by the Government and furnished to the Contractor.

208. [Reserved.]

209. *Identification and marking.* Government property shall be recorded and identified by the Contractor promptly upon receipt as provided in the contractual provisions. The Government shall furnish the number with which the plant equipment shall be marked.

209.1 *Marking identifications.* Marking identifications shall be as follows:

(a) A suitable indication of Government ownership such as the words "U. S. Government Property," or the abbreviation "USA," "USN," or "USAF."

(b) With respect to plant equipment, a three-part identification number consisting solely of numerals except as provided in (c) below. The first part shall designate the owning military department, such as U. S. Army, U. S. Navy, or U. S. Air Force; the second part shall be the property account number; and the third part shall be a serial number. In case plant equipment furnished by the Government is already identified as property of the military departments, no change shall be made in the markings.

(c) In the case of items included within a standard departmental registration system, for example, automotive construction, or weight-handling equipment, application for a proper registration number will be made to the cognizant department, which number shall be used in lieu of any other identification number.

209.2 *Recording identification numbers.* Assigned property identification numbers will be recorded on applicable property records.

210. *Segregation or commingling of Government property and Contractor's property.* Ordinarily Government property, particularly material, should be segregated and kept physically separate from Contractor-owned property at all times. There will be occasions, however, where commingling of property would be advantageous to the Government. The Contract Administrator should consider and arrange with the Contractor plans for segregation and commingling of property. This agreement reached with respect to commingling shall be reduced to writing by the Contract Administrator. Commingling may be allowed in the following types of cases:

(a) Where such commingling is approved by the Contract Administrator.

(b) Where the Government property involved is plant equipment, special tooling or minor equipment which is clearly identified or marked as Government property and is supported by appropriate control records.

211. *Physical inventories.*

211.1 *Before termination or completion.* It shall be the responsibility of the Contract Administrator to review and approve the type and frequency of physical inventories to be taken. In this respect he may accept and approve in writing the Contractor's established procedures if he determines that they adequately protect the interests of the Government and are in conformity with applicable regulations.

211.2 *Upon termination or completion.* Upon termination or completion of a contract, a physical inventory adequate for disposal purposes shall be required of all Government property applicable to the contract in the custody, control or possession of the Contractor. Standard items that have been modified may be described as standard items, with a general description of the modification. Items that have been constructed, such as test equipment, should be described in sufficient detail to permit a potential user to determine whether they are of sufficient interest to warrant further inspection.

211.3 *Inventories and selective checks by the Contract Administrator.*

(a) The Contract Administrator may, at his discretion, join with the Contractor in the taking of any inventory, required to be made by the Contractor.

(b) The Contract Administrator should make selective checks of the inventory being

taken by the Contractor when he determines that such procedure is necessary to protect the interests of the Government. When selective checks are used they must embrace a representative number of items in the account and must adequately cover, by class and price range, all Government property involved.

211.4. *Quantitative and monetary controls.* As directed or required by proper authority, the Contract Administrator shall require the Contractor's physical inventories to be prepared on both a quantitative and monetary basis and be classified by categories such as material, special tooling, minor equipment, plant equipment, etc.

211.5 *Discrepancies.* The Contract Administrator shall proceed to adjust any discrepancies disclosed as a result of inventorying in accordance with the provisions of the contract and this manual.

212. *Control of scrap and salvage.* Procedures for the control of scrap and salvage shall not be applicable to non-profit research and development contracts unless the Contracting Officer determines that the scrap or salvage is substantial in amount and that the Government is not receiving sufficient benefits from the use or disposal thereof, in which event the procedures set forth in paragraph 403 of Appendix B, Armed Services Procurement Regulation, shall be applied.

213. *Records to be maintained by Government personnel.*

213.1 *Records of specific contracts where property is involved.* (a) Where a contract provides for the use of Government property a copy of the contract shall be made available or furnished to the Property Administrator.

(b) The Property Administrator shall maintain a record of each contract assigned to him for property administration. That record shall contain the following minimum information:

(i) Contract number and name of Contractor.

(ii) Type of contract (CPFF, fixed price, research and development, etc.)

(iii) End item to be produced or services to be performed, and the points of inspection and acceptance.

(iv) Record of amendments and changes pertaining to Government property.

(v) Listing and type of all subcontracts which involve Government property.

(vi) Provisions of contract pertaining to liability of the Contractor for loss, damage or improper use of Government property.

(vii) Record of Contract Administrators and dates of tenure.

(viii) Record of Property Administrators and dates of tenure.

(ix) Record of Plant Representatives (or Officers-in-Charge) and dates of tenure.

(x) Record of written approval of Contractor's property control procedures.

(xi) Record of deviations granted in property procedures. (The deviations granted shall be in accordance with procedural regulations issued by each department.)

(xii) Record of property audits and inspections performed by the responsible agencies in each department.

(xiii) Records of property inspections during production and usage checks performed.

(xiv) Record of any deficiencies found in property control and the corrective action taken.

(xv) Interim and final clearance data for Government property.

(xvi) A written statement from the Contractor listing the names of personnel authorized to receipt for Government property for the Contractor.

(xvii) A file of all documents evidencing receipt of Government-furnished property by the Contractor.

(xviii) A file containing copies of all instruments affecting relief from responsibility for Government property.

213.2 *Control records to be maintained.* The Property Administrator shall maintain a system of file control that will permit the ready location of any document that he is required by this manual to maintain.

213.3 *Record of end items.* The Property Administrator shall maintain a record of all end items produced under the contract, based upon authenticated receiving reports or processed vendors' shipping documents, as follows:

(a) When there is no lapse of time between Government inspection and acceptance of the end items and shipment from the Contractor, the records shall, as a minimum, consist of a summarization of quantities accepted and shipped. When end items are accepted by the Government and stored with the Contractor, the record shall show the quantities stored and location.

(b) Some contracts provide that end items are to be retained by the Contractor for further use under the contract. Upon acceptance of such items, they shall be considered to be "Government-furnished property" and shall be recorded by the Contractor as required by the terms of the contract.

214. *Numbering property accounts.* A property account, consisting of records maintained either by a Contractor or Government personnel, shall be assigned a property account number.

215. *Auditing property accounts.* Records of Government property shall be audited by the departments as frequently as conditions warrant, and upon termination or completion of the contract. These audits will include records maintained by the Contractor and such records as may be maintained by Government personnel in connection with such property. The Property Administrator and the Contractor shall make all property records, including correspondence related thereto, available for inspection by the auditors.

PART III—CONTRACTOR'S OBLIGATIONS

300. *Scope of part.* This part covers (i) the duties and responsibilities of the Contractor with respect to Government property, (ii) the liability of the Contractor for Government property lost, damaged, or for which the Contractor is otherwise unable to account, and (iii) the obligations of the Contractor with respect to the control of Government property, both physically and administratively. This Part III of this manual is designed so that it may be incorporated by reference in the contract, as desired.

301. *General.* The Contractor shall be directly responsible for and accountable for all Government property in accordance with the provisions of the contract and this Part III of this manual. The Contractor shall maintain and make available such records as are required by Part III of this manual, and must account for all Government property until relieved for responsibility therefor in accordance with the procedures as set forth hereinafter. Liabiilty for loss, damage, or excessive use of property in a given instance will necessarily depend upon all circumstances surrounding the particular case and must be considered and determined in accordance with the provisions of the contract. The Contractor shall furnish all necessary data substantiating any request for discharge from responsibility.

302. *Definitions.* The definitions used in Part I of this manual apply to those terms defined therein when used in this Part III of this manual or in the contract.

302.1 *Contracting Officer.* As used in this Part III, the term "Contracting Officer" shall include any authorized representative of the Contracting Officer acting within the limits of his authority, including the Contract Administrator and the Property Administrator, as those terms are defined in paragraphs 103.2 and 103.5 of Part I.

303. *Contractor's responsibility.* A Contractor shall be responsible for all Government property in his custody or control in accordance with the terms of the contract. The Contractor may be relieved of responsibility for Government property by any of the following methods, subject in any case to specific contract provisions or specific instructions of the Contracting Officer within the scope of the contract:

(a) *Consumption of property in the performance of the contract.* To the extent that property has been consumed or expended for proper purposes and in reasonable amounts in the performance of the contract, the Contractor shall be relieved of responsibility for such property.

(b) *Retention by the contractor.* This may occur when the contract is completed or terminated, or otherwise in accordance with the provisions of the contract. The Contractor shall be relieved of responsibility for all property which has been retained by the Contractor, provided that the Government shall have approved the retention and shall have been reimbursed therefor in accordance with the terms of the contract or applicable regulations.

(c) *Sale of property.* The Contractor shall be relieved of responsibility for Government property sold with the approval of the Contracting Officer, in accordance with applicable regulations, provided, however, that the proceeds from such sale shall have been received by or credited to the Government.

(d) *Shipment of Government property from a contractor's plant.* The Contractor shall be relieved of responsibility when Government property is shipped from the Contractor's plant pursuant to the instructions of the Contracting Officer.

(e) *Written advice of Contracting Officer.* The Contractor shall be relieved of responsibility for Government property lost, damaged, destroyed, or consumed, in excess of that normally anticipated in the manufacturing or processing operation, as the result of appropriate action by the Contracting Officer to determine the liability of the Contractor provided such determination is furnished to the Contractor in writing and the Government shall have been adequately reimbursed when appropriate.

304. *Contractor's liability.* Subject to the terms of the contract, the Contractor may be liable when shortages of Government property are disclosed or when Government property is lost, damaged, or destroyed, or when there is evidence of unreasonable use or consumption of Government property as measured by the allowances provided for by the terms of the contract or the appropriate bill of materials.

305. *Receipting for Government property.* The Contractor shall furnish promptly to the Contracting Officer a written receipt for all Government-furnished property received. The Contractor shall also furnish the Contracting Officer a written statement listing the names of personnel authorized to receipt for Government property for the Contractor.

306. *Property control records.* The Contractor shall maintain proper control over all Government property in accordance with methods which have been established by the Contractor and approved by the Contracting Officer consistent with the following:

(a) *Material issued directly upon receipt, minor equipment and special tooling—*

(i) *Fixed price contracts.* In the case of Government-furnished material which is issued directly by the Contractor upon receipt so as to be considered expended under the contract, and in the case of minor equipment, and special tooling, the documents evidencing receipt and issue maintained by

the Contractor will be accepted as property control records.

(ii) *Cost type contracts.* For material, whether Government-furnished or Contractor-acquired, issued by the Contractor directly so as to be considered expended under the contract, for minor equipment, and for special tooling, the Government invoices, Contractor's purchase documents or other documentary evidence of acquisition and issue, will be accepted as adequate property control records.

(b) *Material maintained in stocks.* In the case of material furnished by the Government under fixed price contracts, and in the case of material furnished by the Government or procured by the Contractor, title to which vests in the Government, under cost-type contracts, which material is maintained by the Contractor in stock or stores, the Contractor shall compile and maintain appropriate records covering the description, cost when known, acquisition and disposition, and such other information as may be required to identify the property. Records of consumption on a unit or accumulated basis shall also be maintained. The Contractor shall be prepared to locate such property within a reasonable time after request therefor.

(c) *Plant equipment.* In the case of plant equipment furnished by the Government under fixed price contracts, or in the case of plant equipment furnished by the Government or procured by the Contractor, title to which vests in the Government, under cost-type contracts, the Contractor shall compile and maintain individual property records covering the description, cost, acquisition, and disposition of each item of plant equipment and such other information as may be required to identify the property. The Contractor shall be prepared to locate any item of such property within a reasonable time after request therefor.

(d) *Real property.* In the case of real property furnished by the Government under fixed price contracts, and in the case of real property furnished by the Government or acquired by the Contractor, title to which vests in the Government, under cost-type contracts, the Contractor shall maintain a continuous itemized record of the description, location, acquisition cost, and disposition of all Government real property, including unimproved real property, all alterations and all construction work, and any site connected with such alteration or construction, acquired by purchase, lease or otherwise. This itemized record may be in the form of a cross-reference to maps, drawings, plans and specifications.

307. *Identification and marking.* The Contractor shall record and identify as such all Government property promptly upon receipt, and such property shall remain so identified so long as it remains in the custody, control or possession of the Contractor, in accordance with the following:

(a) *Material, minor equipment and special tooling.* Government-furnished material in stock or stores, minor equipment and special tooling, shall be identified as Government property by marking, labeling, tagging, or other suitable device, except where:

(i) No materials of the same type at the same location are owned by the Contractor, his employees, or other contracting agencies.

(ii) Property is of bulk type or by its general nature of packing or handling precludes adequate marking, as may be determined by the Contracting Officer.

(iii) Property is commingled as otherwise authorized herein, and marking and identification are waived by the Contracting Officer.

(b) *Plant equipment.* Unless already so marked, Government-furnished plant equipment and plant equipment acquired by the Contractor, title to which vests in the Government, shall be marked by the Contractor with an identification number to be furnished by the Government, unless the size or nature of a particular item makes marking impracticable, in which case such item shall be assigned an identification number for record purposes, which number shall be shown in the plant equipment property record.

(c) *Components.* Components which are permanently removed from items of Government property as a result of modification, or otherwise, shall be marked or identified by the Contractor according as to whether the component is classified as material, plant equipment, minor equipment or special tooling. Material, minor equipment and special tooling permanently removed from Government property need not be marked or identified except when returned to stock or stores.

307.1 *Method of identification.* Identification shall be affected by affixing a metal, fibre, plastic or other plate directly to the equipment; by using indelible ink, acid or electric etch, steel dies, or any other legible, permanent, conspicuous, and tamperproof method. Identification shall consist of the following markings:

(i) A suitable identification of Government ownership such as the words "U. S. Government Property," or the abbreviation "USA," "USN," or "USAF."

(ii) The Contractor shall affix to each item of plant equipment the identification number furnished by the Government. In case the plant equipment furnished by the Government is already identified as property of the U. S. Government, the markings shall not be removed. In addition to the markings prescribed by the Government, the Contractor may use a severable marking of its own, for its own records, provided that the Contractor shall remove such marking upon return of the equipment to the Government, or upon making any other disposition.

308. *Segregation and commingling.* The Contractor shall keep Government property segregated except where commingling is approved by the Contract Administrator as being to the mutual benefit of the Government and the Contractor, or where the Government property involved is plant equipment, special tooling or minor equipment which is clearly identified or marked as Government property and is supported by appropriate control records.

309. *Inventories.*

(a) *Interim physical inventory.* The Contractor shall take a physical inventory of Government property whenever required by the Contracting Officer, but such inventory shall not normally be required of the Contractor more often than once a year. The inventory shall show the quantity and monetary value of each item of property inventoried, and shall normally be limited to materials and minor equipment held in stocks and stores, and plant equipment. It shall be classified by categories of whatever items are inventoried, such as material, special tooling, minor equipment, plant equipment, etc.

(b) *Joint inventory and selective checks.* The Contracting Officer, if he desires, may join with the Contractor in taking the inventory required to be taken by the Contractor. The Contracting Officer shall have the right to take an inventory or make selective checks whenever he deems it necessary to protect the Government's interest. The Contractor agrees to make available to the Contracting Officer or his authorized representatives at all reasonable times at the office of the Contractor all of its property records under this contract, and to allow access to any premises where any of the Government property is located.

(c) *Terminal physical inventory.* The Contractor shall take upon completion or termination of the contract, a physical inventory adequate for disposal purposes of all Government property applicable to the contract in the custody, control, or possession of the Contractor. The inventory shall be prepared on both a quantitative and monetary basis and be classified by categories, such as material, special tooling, minor equipment, plant equipment, etc. Standard items that have been modified may be described as standard items, with a general description of the modification. Items that have been constructed, such as test equipment, should be described in sufficient detail to permit a potential user to determine whether they are of sufficient interest to warrant further inspection.

310. *Control of scrap and salvage.* Procedures for the control of scrap and salvage shall not be required unless the Contracting Officer determines that the scrap or salvage is substantial in amount and that the Government is not receiving sufficient benefits from the use or disposal thereof in which event the following procedures shall be applicable:

(a) The Contractor shall establish a procedure whereby all Government property that can be salvaged shall be returned to Government stock, which procedure shall be subject to the approval of the Contracting Officer.

(b) If the Contracting Officer determines that the Contractor's scrap procedures and records are adequate to protect the Government's interest, he shall approve same in writing and furnish the Contractor a copy thereof. If the Contracting Officer determines that corrective measures are necessary to protect the Government's interests, he shall so advise the Contractor.

(R. S. 161; 5 U. S. C. 22)

J. D. SMALL,
Chairman, Munitions Board.

[F. R. Doc. 52–12895; Filed, Dec. 5, 1952; 8:45 a. m.]

Subchapter A—Armed Services Procurement Regulation

RULES FOR NOTICE AND HEARING UNDER GRATUITIES CLAUSE

APPENDIX D—RULES FOR NOTICE AND HEARING UNDER GRATUITIES CLAUSE IN ARMED SERVICES PROCUREMENT REGULATION 406.104–16

1. *Introduction.* Section 631 of the Department of Defense Appropriation Act, 1952, Public Law 179, 82d Congress, requires all contracts, other than contracts for personal services, which call for the expenditure of funds appropriated for the military departments under the Act to contain a clause permitting the termination of the contractor's right to proceed under any such contract and permitting the Government to pursue the remedies that it could pursue in the event of breach of contract if it is found after notice and hearing by the Secretary of the department with which the contract was made, or by his duly authorized representative, that gratuities (in the form of entertainment, gifts or otherwise) were offered or given by the contractor or by his agent or representative to any officer or employee of the Government with a view toward securing a Government contract or favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performing of such contract. The military departments have prescribed the use of such clause, as set forth in the Armed Services Procurement Regulation, paragraph 406.104–16, in contracts as required by the above Act and in other procurement contracts. It is the purpose of these rules to make provision for the giving of the notice of hearing, for the conduct of the hearing, and for other procedural matters incident to the exercise of the rights and special remedies provided by the prescribed clause, wherever it is now

or may hereafter be used in contracts of the military departments. In the interest of uniformity in proceedings before the three military departments, these rules are hereby adopted. Nothing herein shall be construed to affect or impair (1) the pursuit of other remedies available to the Government in any instance, or (2) the right of termination of any contract for any reason available to the Government under the terms of such contract.

2. *Definitions. Department.* The term "department" means the Department of the Army, the Department of the Navy, or the Department of the Air Force.

Secretary. The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of any military department.

Designee. The term "designee" means the person or board to whom authority has been delegated by the Secretary under Rule 3. The designee is the Secretary's authorized representative.

3. *Delegation of authority.* The Secretary may delegate to any person, military or civilian, or board of such persons within his Department all the authority of the Secretary conferred by statute or the prescribed contract clause to give notice of hearings, to conduct hearings and to make findings of fact with respect to (i) whether a gratuity was offered or given by a contractor or any agent or representative of such contractor to a Government officer or employee with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performance of such contract; and (ii) where appropriate, the amount of the costs incurred by the contractor in providing such gratuity. If the Secretary delegates his authority to a board, one of the members thereof shall be a person trained in the law, and the Secretary shall designate one member to be the presiding officer of the board.

4. *Notice and contents.* Whenever information coming to the attention of the Department indicates that the procedures provided herein may be properly invoked, the Department may cause a written notice to be served upon the contractor in the manner hereinafter provided. The notice shall be signed by the Secretary or his designee and dated and shall include the following items:

(a) A statement of the time, place, and purpose of the hearing, and the authority and jurisdiction under which it will be held. The statement as to purpose need only identify the contract clause, the contract or contracts involved, and the ultimate facts to be determined. The time of the hearing shall not be less than 10 days after service of the notice.

(b) Brief allegations setting forth the circumstances surrounding the offering or giving of the gratuity, including a description of the alleged gratuity itself and its estimated cost to the contractor; an identification of the offeree or donee and of the offerer or donor and the latter's relationship to the contractor; and the approximate date and place of the alleged offer or gift. Such allegations need be only sufficient to apprise the contractor reasonably of the issues involved in the hearing.

(c) A request that the contractor answer in writing the allegations of the notice, including in his answer such facts or argument as he may wish, and that he attend the hearing to adduce such evidence with respect to the alleged offer or gift as he may desire.

A suggested form of notice is set out as an appendix to these rules.

5. *Service of notice.* Service shall be made by mailing or delivering a copy of the notice to the contractor. Delivery of a copy means handing it to the party to be served, or, if the party is a corporation, partnership, or unincorporated association, handing it to an officer, partner, managing or general agent, or any other agent authorized by appointment or by law to receive service of process, or by leaving the copy at the contractor's office with the person in charge thereof. Service by mail shall be made only by registered mail and service shall be complete upon mailing. The manner of service shall be evidenced by the signed endorsement of the person making the service upon a copy of the notice to be included in the record of the proceeding. Service of notice may be accepted or waived by the contractor by written endorsement on a copy of the notice.

6. *Continuances and delays.* The authority to grant continuances or to adjourn the hearing shall rest with the person presiding at the hearing. Continuances will only be allowed for the most compelling reasons.

7. *Parties.* The parties to the hearing will be the contractor concerned and the Government. No intervention by other persons shall be permitted.

8. *Representation and hearing assistants.* The parties may be represented at the hearing and proceedings incident thereto by legal counsel. Upon the appearance of record of legal counsel of the contractor in the proceedings, service of papers as may thereafter be required may be made upon such legal counsel. The Department will make available such technical assistants, including a reporter, secretary or notary, as may be required.

9. *Transcript.* Testimony and arguments shall be reported verbatim. The reporter or secretary shall make available to the contractor and to the Government transcripts of the proceedings, including all testimony and copies of all documentary exhibits upon the payment of the reasonable costs thereof as the Department may by order fix.

10. *Hearings.* Hearings shall be conducted by the Secretary or his designee. Hearings will be as informal as may be reasonably appropriate under all the circumstances. Evidence and testimony, although not ordinarily admissible under legal rules of evidence, may be received subject to the discretion of the person presiding at the hearing. Immaterial, irrelevant, or unduly repetitious evidence shall be excluded. The parties may stipulate as to any facts or testimony. The testimony of witnesses shall be under oath and witnesses shall be subject to cross-examination. The hearing officer shall make such rulings with respect to the conduct of hearings as circumstances may require to ensure the orderly and expeditious presentation of evidence in a manner fair to the parties and consistent with these Rules and requirements of due process of law.

11. *Depositions.* Following service of the notice of hearing, a deposition may be taken as herein provided, and placed in evidence whenever the ends of justice will be served thereby.

(a) *Notice to take.* When either party desires to take a deposition, unless the parties stipulate as to the time when, and place where, the deposition is to be taken, the name of the officer before whom it is to be taken, and the names and addresses of the witnesses, the moving party shall give to the opposite party at least ten days' notice of the time when and the place where such deposition will be taken, the name and address and official title of the officer before whom it is proposed to take the deposition, and the names of the witnesses. A deposition may be taken either upon written interrogatories or upon oral examination, as may be specified in the notice. If the deposition is to be taken upon written interrogatories, copies thereof must accompany the notice to take depositions; if the opposite party desires to submit cross-interrogatories, written cross interrogatories should be served upon the party giving the notice within 5 days from the receipt of the notice to take the deposition. Notices may be served upon the contractor as provided by Rule 4 or upon his legal counsel of record. Service upon the Government may be made upon the person signing the notice of hearing or the Government representative of record. If service is made by mail, the mail shall be registered and service will be complete upon mailing.

(b) *Taking depositions.* Depositions may be taken before and authenticated by any officer, military or civil, authorized by the laws of the United States or by the laws of the place where the deposition is taken, to administer oaths. Witnesses shall be under oath and shall be subject to cross-examination as at the hearing. Objections will be reserved for determination at the hearing; provided, however, objections as to the form of questions shall be made and noted in the deposition. Each deposition shall show the caption of the proceeding, the place and date of taking, the names of the witnesses, and the party by whom called. The officer taking a deposition shall enclose the original deposition and exhibits, in a sealed packet, with postage or other transportation prepaid, and forward the same to the Secretary or his designee.

(c) *Use of deposition.* Testimony taken by deposition will not be considered until offered in whole or in part and received in evidence. A deposition taken by one party may be offered by the opposite party.

12. *Submissions without appearance: absence of parties.* If the contractor fails or refuses to appear or to make a written submission without appearing at the hearing, the hearing shall proceed upon such evidence as the Government may offer. The unexcused absence of any party shall not be occasion for delay of the hearing. Notwithstanding the nonappearance of the contractor at the hearing, proposed findings, conclusions, and argument may be submitted in writing on the contractor's behalf as provided in Rule 13.

13. *Argument and request for findings.* Within the discretion of the person presiding at the hearing, limited oral argument may be presented by the parties upon the completion of the hearing. Within ten days after the hearing is completed, both parties may file in writing with the person or board conducting the hearing proposed findings and conclusions with reasons and argument in support thereof. Copies will be provided to the opposite party.

14. *Findings and decision.* As soon as practicable after completion of the hearing and the timely submission of proposed findings and conclusions, the person or board that conducted the hearing shall make written findings and conclusions with respect to all material issues; reasons for the findings will be included at such length as may be appropriate. The findings where adverse to the contractor will include, in addition to other appropriate items, the following: (i) a description of the gratuity that was offered or given; (ii) a statement of the costs incurred by the contractor in providing the gratuity; (iii) the name and relationship to the contractor of the person by whom the gratuity was offered or given on the contractor's behalf; (iv) the name and position of the officer or employee of the Government to whom the gratuity was offered or given; (v) a description of the contract which the Contractor sought to secure by the offering or giving of the gratuity, or a statement as to the nature of the favorable treatment so sought with respect to the awarding or amending, or the making of any determinations with respect to the performing of a contract. When the findings are made by a designee they shall be forwarded to the Secretary with recommendations as to whether the right of the contractor to proceed under any contract mentioned in the notice of hearing shall be terminated, and

as to the exemplary damages to be imposed against the contractor, which shall be in an amount which shall not be less than three nor more than ten times the costs incurred in providing the gratuity.

Approved this 5th day of July 1952 by: Earl D. Johnson, Assistant Secretary of the Army; H. R. Askins, Assistant Secretary of the Navy; Roswell L. Gilpatric, Under Secretary of the Air Force.

APPENDIX TO RULES

Form of Notice

Before the _____ of the _____.

File No. _____

In the Matter of the XYZ Corporation, Contract _____: Proceedings Pursuant to Clause _____ of Contract No. _____.

To: XYZ Corporation,
Rockefeller Plaza,
New York City, New York.

1. You are hereby notified that at ___ M. on _____ 1952, at room ____ of the _____ Building, _____, a hearing will be held before _____ to determine whether or not under the provisions of clause _____ of Government contract _____ a gratuity has been offered or given on behalf of the XYZ Corporation to an officer or employee of the Government of the United States with a view toward securing (a contract) (favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of a contract). If it is found that a gratuity was so offered or given, your right to proceed under the contract may be terminated, and a penalty imposed in accordance with the contract clause mentioned above. In the event of such termination the Government will be entitled to pursue the remedies available for breach of contract.

2. The hearing at the time and place aforesaid will be held under the authority of (cite applicable Public Law and clause of contract(s)). Enclosed is a copy of the Rules promulgated by the Secretary of the _____ pursuant to which the hearing will be conducted. Papers pertaining to the proceedings may be captioned as above.

3. The contract(s) involved in the hearing, and which is (are) subject to termination if a gratuity is found to have been given or offered to secure favorable action as aforesaid, is (are) identified as follows:

Contract number _____ dated _____ under the cognizance of _____ and executed by _____ on behalf of the Government as the Contracting Officer.

4. The gratuity offered or given and the circumstances relating thereto are alleged to be as follows: (Include in a concise statement the nature of the alleged gratuity; a fair estimate of the costs incurred by the contractor in providing the gratuity; the identity of the offeree or donee and his position with the government; the identity of the offerer or donor and his relationship to the contractor; and the approximate date, time, and place of the alleged offer or gift. Also allege as appropriate, that the gratuity was (offered) (given) with a view toward securing a Government contract or favorable treatment with respect to awarding or amending, or the making of a determination with respect to the performing of a Government contract. Identify or describe the contracts involved). On proof of the facts alleged as aforesaid, the Government, in accordance with the applicable statutory and contract provisions mentioned in paragraph 2, may terminate your right to proceed under the contract identified in paragraph 3 and to pursue the remedies available for breach of contract; also to impose exemplary damages as provided in such law and contract provision.

5. If you desire to be heard in this matter, you are requested to file with the Department on or before the time of the hearing a written answer and to appear at the hearing.

Dated: _____

By direction of the _____ of the _____.

NOTE: Portions set apart by parentheses should be stricken or modified as appropriate to conform to the facts.

(R. S. 161; 5 U. S. C. 22)

J. D. SMALL,
Chairman, Munitions Board.

[F. R. Doc. 52-12896; Filed, Dec. 5, 1952; 8:45 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[General Ceiling Price Regulation, Amdt. 3 to Supplementary Regulation 100, Revision 1]

GCPR, SR 100—ADJUSTMENTS FOR IRON AND STEEL PRODUCTS

EXTRAS AND DEDUCTIONS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Amendment 3 to Supplementary Regulation 100, Revision 1, to the General Ceiling Price Regulation is hereby issued.

STATEMENT OF CONSIDERATIONS

Several provisions of Supplementary Regulation 100, Revision 1 to the General Ceiling Price Regulation provide ceiling price increases expressed in percentages to be applied to a ceiling base price plus extras and deductions. The definition of "extras and deductions," as set forth in section 8 (a) caused some confusion in the industry as to the coverage of that term and has proven to be unduly narrow. In particular, it has appeared that extras for packaging have not been covered by that definition, although packaging is affected by labor and other cost increases to the same extent as other mill operations. This amendment eliminates that defect of the definition of section 8 (a) and brings it in line with industry practices.

In the formulation of this amendment there has been consultation with industry representatives including trade associations to the extent practicable and due consideration has been given to their recommendations.

AMENDATORY PROVISIONS

Section 8 (a) of Supplementary Regulation 100, Revision 1, to the General Ceiling Price Regulation is amended to read as follows:

(a) *Extras and deductions.* As used in this supplementary regulation, the term "extras and deductions" means additions to or deductions from the base price customarily employed by producers of steel mill products. It does not include any outgoing freight costs or other delivery charges, but does include all other commonly employed steel mill extras such as finish, machining, gauge, width, length, size, and shape, shearing or cutting, packaging and protection, physicals including annealing, testing and quantity."

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment is effective December 4, 1952.

JOSEPH H. FREEHILL,
Acting Director of Price Stabilization.

DECEMBER 4, 1952.

[F. R. Doc. 52-12978; Filed, Dec. 4, 1952; 5:01 p. m.]

[General Overriding Regulation 41]

GOR 41—ADJUSTMENTS UNDER THE INDUSTRY EARNINGS STANDARD FOR CONSUMER GOODS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this general overriding regulation is hereby issued.

STATEMENT OF CONSIDERATIONS

This General Overriding Regulation 41 establishes new ceiling prices for manufacturers of certain consumer goods where the level of ceiling prices previously established for the industry has been found to be below the minimum prescribed by the "industry earnings standard" (the "Johnston Formula").

The industry earnings standard provides that the level of ceiling prices for an industry shall normally be considered "fair and equitable" under the Defense Production Act of 1950, as amended, if the dollar profits of the industry amount to not less than 85 percent of the average earnings for the industry's best three years during the period 1946–1949, inclusive, adjusted for changes in net worth.

It is expected that commodities will be added to the coverage of this regulation from time to time. The commodities and the amount of the adjustment to be permitted will be listed in Appendix A. Except as provided in this regulation, all provisions of the basic regulations which would otherwise be applicable to the commodity and which are not inconsistent with this regulation remain in effect. Since the adjustment made by this regulation may take cognizance of certain increases in cost recognized in other adjustment regulations, to avoid duplication it will be specifically indicated what regulations may be used in conjunction with the adjustment taken under this regulation.

The first commodities to be included in this general overriding regulation are sheet and cast aluminum household cooking utensils. The Office of Price Stabilization has recently completed financial surveys of these industries. The surveys were undertaken as the result of information submitted by industry members and trade association representatives at various informal meetings which indicated that the level of ceiling prices heretofore in effect for these industries were below the minimum prescribed by the industry earnings standard. Financial data were obtained from representative groups of

manufacturers, whose total sales represent over 70 percent of the sheet aluminum household cooking utensil industry and 65 percent of the total sales of the cast aluminum household cooking utensil industry. Based upon this data, the Director of Price Stabilization has determined that in order for the dollar profits of each industry to meet the industry earnings standard, ceiling prices for the sheet and cast aluminum household cooking utensil industries will have to be established at 107 percent and 108.5 percent, respectively, above the industries' highest selling prices since July 1, 1952. Such ceiling prices will be generally fair and equitable.

This adjustment reflects all increases in cost of steel, other materials, wages, and freight that are currently in effect. Manufacturers of sheet and cast aluminum household cooking utensils covered by this regulation may not, therefore, adjust their ceiling prices under GOR 35 (Pass Through for Steel, Pig Iron, Copper and Aluminum Cost Increases) and SR 35 to CPR 22 or SR 122 to the GCPR (Adjustments to Reflect Increased Outbound Transportation Costs). Moreover, if they have already done so, they must deduct the amount of such adjustments before taking the adjustment allowed by this regulation.

Manufacturers continue to have the election to determine their ceiling prices under the various regulations that were issued pursuant to the so-called "Capehart Amendment." If they do so, however, they may not use this regulation. In addition, any manufacturers who have already taken advantage of the "Capehart Regulations" must deduct the amount of those adjustments which are reflected in their selling prices before taking the adjustment allowed by this regulation since the basis upon which the determination of the amount of the adjustment necessary to meet the "industry earnings standard" was selling prices at or near ceilings which did not include "Capehart adjustments."

In the formulation of this regulation there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations. In the judgment of the Director, the provisions of this regulation are generally fair and equitable; are necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950, as amended; and comply with the applicable standards of that act.

REGULATORY PROVISIONS

Sec.
1. What this regulation does.
2. Ceiling prices for commodities dealt in during the adjustment period.
3. Ceiling prices for commodities which cannot be determined under section 2.
4. Records and reports.
5. Relationship of this regulation to other adjustment regulations.

AUTHORITY: Sections 1 through 5 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803 as amended; 50 U. S. C. App. Sup. 2101–2110; E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR, 1950 Supp.

SECTION 1. *What this regulation does.* This regulation, issued to give effect to the industry earnings standard, establishes new ceiling prices for sales by manufacturers of commodities listed in Appendix A. These new ceiling prices are to be used in place of those previously established under the GCPR, CPR 22 or CPR 161. All provisions of those regulations otherwise applicable to you and not inconsistent with this regulation remain in effect.

SEC. 2. *Ceiling prices for commodities dealt in during the adjustment period.* (a) Except as provided in subparagraphs (1), (2) and (3) of this paragraph you determine the ceiling price to each of your classes of purchasers for a sale of a commodity listed and defined in Appendix A by multiplying the highest price at which you delivered the commodity during the adjustment period to such class of purchaser by the appropriate percentage adjustment. The adjustment period and appropriate percentage adjustment are listed in Appendix A in the columns opposite the commodity. You may not use a price as the highest price at which you delivered a commodity to a class of purchaser unless you made at least 20 percent by dollar volume of your total deliveries of that commodity during the adjustment period to that class of purchaser at that price or a higher price. If your highest price during the adjustment period exceeded the applicable ceiling price, your ceiling price under this regulation is determined by multiplying your ceiling price in effect at the time you received your highest price by the percentage adjustment listed in Appendix A for that commodity.

(1) If the adjustment period for your commodity is shorter than five months, and you did not deliver the commodity during that period, you may, in the computations required in paragraph (a) above, use the highest price at which you offered it for delivery during that period to a purchaser of the same class. The offer must have been made in writing and communicated to a substantial number of customers.

(2) For commodities listed below (and defined in Appendix A) you may not use as your highest price, a price which includes adjustments made under either GOR 35 (Pass Through for Steel, Pig Iron, Copper and Aluminum Cost Increases) or SR 35 to CPR 22 or SR 122 to the GCPR (Adjustments to Reflect Increased Outbound Transportation Costs). If your highest price includes such adjustments you must reduce it by the dollar amount of such adjustments before using it to determine your new ceiling price under this regulation.

(i) Sheet aluminum household cooking utensils.

(ii) Cast aluminum household cooking utensils.

(3) For commodities listed below (and defined in Appendix A) you may not use as your highest price, a price which includes adjustments made under GOR 20, GOR 21 or SR 17 or 18 to CPR 22 (the "Capehart Regulations"). If your highest price includes such adjustments you must reduce it by the dollar amount of such adjustments before using it to determine your ceiling price under this regulation.

(i) Sheet aluminum household cooking utensils.

(ii) Cast aluminum household cooking utensils.

SEC. 3. *Ceiling prices for commodities which cannot be determined under section 2.* (a) If you cannot determine a ceiling price for the sale of a commodity under section 2, but you did, prior to the date this regulation became effective as to sales of that commodity by you determine ceiling price for that commodity under section 4 or 6 of the GCPR, sections 30 through 33 of CPR 22 or sections 3 through 5 of CPR 161, whichever is applicable, you may recompute that ceiling price, using as the ceiling price of any reference commodity, a ceiling price determined under this regulation. You need not report this recomputation.

(b) If you cannot determine a ceiling price for the sale of a commodity under section 2 or under paragraph (a) of this section 3, you must establish such ceiling price in accordance with CPR 161 (Consumer Durable Goods Regulation).

SEC. 4. *Records and reports*—(a) *Record-keeping requirements.* In addition to the records and reports required by other OPS regulations applicable to you, you must prepare and preserve for the life of the Defense Production Act of 1950, as amended, and for two years thereafter, all records necessary to determine whether you have correctly computed your adjusted ceiling prices under this regulation.

(b) *Reports.* The Director of Price Stabilization may from time to time require information or reports subject to the approval of the Bureau of the Budget, in accordance with the Federal Reports Act of 1942.

SEC. 5. *Relationship of this regulation to other adjustment regulations.* (a) Notwithstanding any provision of this regulation, you may elect to use GOR 20, GOR 21, SR 17 or SR 18 to CPR 22 to establish your ceiling prices. If you so elect, you may not use this regulation.

(b) You may not use the provisions of GOR 35 to adjust ceiling prices determined under this regulation for the following commodities (as defined in Appendix A):

(1) Sheet aluminum household cooking utensils.

(2) Cast aluminum household cooking utensils.

(c) You may not use the provisions of SR 35 to CPR 22 or SR 122 to the GCPR to adjust ceiling prices determined under this regulation for the following commodities to reflect cost increases which had taken place before the date this regulation became effective as to such commodities:

(1) Sheet aluminum household cooking utensils.

(2) Cast aluminum household cooking utensils.

Effective date. This regulation is effective December 10, 1952.

NOTE: The record-keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

TIGHE E. WOODS,
Director of Price Stabilization.

DECEMBER 5, 1952.

APPENDIX A

Listed below are the commodities covered by General Overriding Regulation 41, the applicable adjustment period, and the percentage adjustment.

Commodity	Adjustment period	Percentage adjustment
(a) Sheet aluminum household cooking utensils, except electrical appliances.	July 1, 1952, to Dec. 5, 1952, inclusive.	107
(b) Cast aluminum household cooking utensils, except electrical appliances.	-----do-----	108.5

[F. R. Doc. 52-12992; Filed, Dec. 5, 1952; 10:52 a. m.]

[Ceiling Price Regulation 34, Amdt. 3 to Supplementary Regulation 22]

CPR 34—SERVICES

SR 22—SERVICE CHARGE FOR BANKS

NO MINIMUM BALANCE CHECKING ACCOUNTS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this amendment to Supplementary Regulation 22 to Ceiling Price Regulation 34 is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment to Supplementary Regulation 22 to Ceiling Price Regulation 34 permits banks to institute "no minimum balance" checking accounts of a type which they do not presently offer.

A "no minimum balance" checking account is defined for the purposes of this regulation as a checking account where, regardless of the balance in the depositor's checking account, the only service charge to the depositor is a flat charge for each check drawn and each deposit made, or a flat charge for each check drawn with no charge for deposits. If a bank institutes a new type of account pusuant to this amendment, it must continue to supply each type of account which it offered during the base period or since that time. Thus, this amendment makes it possible for a bank to offer to its depositors a selection of the type of account most economical or convenient to them.

The technical nature of this amendment has made formal consultation with industry representatives, including trade association representatives, impracticable.

AMENDATORY PROVISIONS

Supplementary Regulation 22 to Ceiling Price Regulation 34, as amended, is further amended in the following respects:

1. Section 10 is renumbered section 11.

2. A new section 10 is added after section 9 to read as follows:

SEC. 10. *No minimum balance checking accounts.* (a) If you wish to supply any type of no minimum balance checking account which you do not presently supply, you may apply to the appropriate OPS District Office for the establishment of a ceiling price therefor. Your application must be filed by registered mail, return receipt requested, must be signed by you, and must contain a statement of your name and address; a description of the no minimum balance checking account service you wish to supply; and your proposed ceiling price for the service, which may not be higher than the ceiling price of the bank closest to you serving a comparable market and supplying the identical no minimum balance checking account service. Your application must also state the name and address of that bank. You may not sell the service for which a ceiling price is requested under this section until that price has been approved by OPS, but your proposed price shall be considered approved 20 days after receipt of your application by OPS, as shown by the return postal receipt, unless, within that time, OPS notifies you otherwise. If you institute a new type of account under this section, you must continue to supply each type of account which you supplied during the base period or since.

(b) For the purposes of this section, a no minimum balance checking account is a type of checking account where, regardless of the balance in the depositor's account, the only service charge to the depositor is a flat charge for each check drawn and each deposit made, or a flat charge for each check drawn with no charge for deposits, or a charge paid in advance for a specified number of checks. There may also be a maintenance charge on such accounts.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment is effective December 10, 1952.

NOTE: The record-keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

TIGHE E. WOODS,
Director of Price Stabilization.

DECEMBER 5, 1952.

[F. R. Doc. 52-12991; Filed, Dec. 5, 1952; 10:52 a. m.]

Chapter VI—National Production Authority, Department of Commerce

[NPA Order M-63—Revocation]

M-63—SOFTWOOD PLYWOOD

REVOCATION

NPA Order M-63 (16 F. R. 7701) is hereby revoked.

This revocation does not relieve any person of any obligation or liability incurred under NPA Order M-63, as originally issued or as thereafter amended, nor deprive any person of any rights received or accrued under said order prior to the effective date of this revocation.

(Sec. 704, 64 Stat. 816, Pub. Law 429, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This revocation is effective December 5, 1952.

NATIONAL PRODUCTION AUTHORITY,
By GEORGE W. AUXIER,
Executive Secretary.

[F. R. Doc. 52-12999; Filed, Dec. 5, 1952; 11:37 a. m.]

Chapter XXI—Office of Rent Stabilization, Economic Stabilization Agency

[Rent Regulation 1, Amdt. 94 to Schedule A]

[Rent Regulation 2, Amdt. 92 to Schedule A]

RR-1—HOUSING

RR 2—ROOMS IN ROOMING HOUSES AND OTHER ESTABLISHMENTS

SCHEDULE A—DEFENSE-RENTAL AREAS

COLORADO AND WYOMING

Effective December 6, 1952, Rent Regulation 1 and Rent Regulation 2 are amended so that the items indicated below of Schedule A read as set forth below.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

Issued this 3d day of December 1952.

JAMES MCI. HENDERSON,
Director of Rent Stabilization.

(43) [Revoked and decontrolled.]
(368) [Revoked and decontrolled.]

These amendments decontrol the following:

Denver, Colorado, Defense-Rental Area.
Casper, Wyoming, Defense-Rental Area.

[F. R. Doc. 52-12931; Filed, Dec. 5, 1952; 8:49 a. m.]

[Rent Regulation 1, Amdt. 95 to Schedule A]

[Rent Regulation 2, Amdt. 93 to Schedule A]

RR 1—HOUSING

RR 2—ROOMS IN ROOMING HOUSES AND OTHER ESTABLISHMENTS

SCHEDULE A—DEFENSE-RENTAL AREAS

OHIO

Effective December 6, 1952, Rent Regulation 1 and Rent Regulation 2 are amended so that the item indicated below of Schedule A reads as set forth below.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

Issued this 3d day of December 1952.

JAMES MCI. HENDERSON,
Director of Rent Stabilization.

(224) [Revoked and decontrolled].

These amendments decontrol the following:

Akron, Ohio, Defense-Rental Area.

[F. R. Doc. 52-12932; Filed, Dec. 5, 1952; 8:49 a. m.]

[Rent Regulation 3, Amdt. 98 to Schedule A]

[Rent Regulation 4, Amdt. 41 to Schedule A]

RR 3—HOTELS

RR 4—MOTOR COURTS

SCHEDULE A—DEFENSE-RENTAL AREAS

WYOMING

Effective December 6, 1952, Rent Regulation 3 and Rent Regulation 4 are amended so that the item indicated below of Schedule A read as set forth below.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

Issued this 3d day of December 1952.

JAMES McI. HENDERSON,
Director of Rent Stabilization.

(368) [Revoked and decontrolled.]

These amendments decontrol the following:

Casper, Wyoming, Defense-Rental Area.

[F. R. Doc. 52-12930; Filed, Dec. 5, 1952; 8:49 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

PART 205—REPORTS OF MOTOR CARRIERS

QUARTERLY REPORTS OF PASSENGER REVENUES, EXPENSES AND STATISTICS

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 19th day of November A. D. 1952.

The matter of periodical reports to be required of motor carriers being under consideration pursuant to provisions of section 220 (a) of the Interstate Commerce Act, as amended (49 Stat. 563, 54 Stat. 926, 49 U. S. C. 320) and,

It appearing, that all Class I common and contract motor carriers of passengers are required by an order dated July 31, 1951, to file quarterly reports of revenues, expenses, and statistics and that on September 30, 1952, such carriers were notified that a modified report form had been approved to include a Report of Man-Hours Paid for and Compensation of Drivers (see FEDERAL REGISTER issue of October 11, 1952, 17 F. R. 9080); and,

It further appearing, that written views or arguments relating to such modifications could be filed by interested parties on or before November 10, 1952 and all representations so received having been given full consideration;

It is ordered, that the order of July 31, 1951, in the matter of quarterly reports for Class I motor carriers of passengers be, and it is hereby vacated and set aside; and it is further ordered, that:

§ 205.11 *Quarterly reports of passenger revenues, expenses, and statistics.* Each Class I common and contract motor carrier of passengers subject to the provisions of section 220 of the Interstate Commerce Act shall file duly verified quarterly reports commencing with the period January 1, 1953 to March 31, 1953, (both dates inclusive) in accordance with the Quarterly Report of Revenues, Expenses and Statistics—Class I Motor Carriers of Passengers form, including the Report of Man-Hours Paid for and Compensation of Drivers, which is hereby approved and made a part of this section.[1] Quarterly reports shall be forwarded, in triplicate, to the office of the Bureau of Motor Carriers of the Interstate Commerce Commission for the district in which the carrier is domiciled within thirty days after the close of the period to which they relate.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12)

Notice. A copy of this order shall be served on each Class I motor carrier of passengers subject to the act and on every trustee, receiver, executor, administrator, or assignee of any such motor carrier, and notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

By the Commission, Division 1.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52-12908; Filed, Dec. 5, 1952; 8:47 a. m.]

PART 205—REPORTS OF MOTOR CARRIERS

QUARTERLY REPORT OF PROPERTY REVENUES, EXPENSES AND STATISTICS

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 19th day of November A. D. 1952.

The matter of periodical reports to be required of motor carriers being under consideration pursuant to provisions of section 220 (a) of the Interstate Commerce Act, as amended (49 Stat. 563, 54 Stat. 926, 49 U. S. C. 320) and,

It appearing, that all Class I common and contract motor carriers of property are required by an order dated July 31, 1951, to file quarterly reports of revenues, expenses, and statistics and that on September 30, 1952, such carriers were notified that a modified report form had been approved to include a Report of Man-Hours Paid for and Compensation of Drivers and Helpers (see FEDERAL REGISTER issue of October 11, 1952, 17 F. R. 9079); and,

It further appearing, that written views or arguments relating to such modifications could be filed by interested parties on or before November 10, 1952, and all representations so received having been given full consideration;

It is ordered, that the order of July 31, 1951, in the matter of quarterly reports for Class I motor carriers of property be, and it is hereby vacated and set aside; and, it is further ordered, that:

§ 205.12 *Quarterly report of property revenues, expenses and statistics.* Each Class I common and contract motor carrier of property subject to the provisions of section 220 of the Interstate Commerce Act, shall file duly verified quarterly reports commencing with the period January 1, 1953, to March 31, 1953, (both dates inclusive) in accordance with the Quarterly Report of Revenues, Expenses and Statistics for Class I Motor Carriers of Property form, including the Report of Man-Hours Paid for and Compensation of Drivers and Helpers, which is hereby approved and made a part of this section.[1] Quarterly reports shall be forwarded, in triplicate, to the office of the Bureau of Motor Carriers of the Interstate Commerce Commission for the district in which the carrier is domiciled within thirty days after the close of the period to which they relate.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12)

Notice. A copy of this order shall be served on each Class I motor carrier of property subject to the Act and on every trustee, receiver, executor, administrator, or assignee of any such motor carrier, and notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

By the Commission, Division 1.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52-12909; Filed, Dec. 5, 1952; 8:45 a. m.]

TITLE 14—CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 43]

PART 608—DANGER AREAS

ALTERATION

The danger area alteration appearing hereinafter has been coordinated with the civil operators involved, the Army, the Navy, and the Air Force, through the Air Coordinating Committee, Airspace Subcommittee, and is adopted to become effective when indicated in order to promote safety of the flying public. Since a military function of the United States is involved, compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act is not required.

Part 608 is amended as follows:

In § 608.14 ,a Camp Roberts, California, area (D-415), is added to read:

Name and location (chart)	Description by geographical coordinates	Designated altitudes	Time of designation	Using agency
CAMP ROBERTS (D-415) (San Francisco Chart).	Beginning at lat. 35°49'45" N., long. 120°49'00" W.; SE. to lat. 35°43'45" N., long. 120°45'30" W.; due W. to long. 120°48'45" W.; NW. to lat. 35°46'30" N., long. 120°52'00" W.; NE. to 35°49'45" N., long. 120°49'00" W., point of beginning.	Surface to 5,000 feet above terrain.	Daylight hours only.	6th Army, Camp Roberts, Calif.

[1] Not filed with Federal Register Division.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

This amendment shall become effective on December 9, 1952.

[SEAL] F. B. LEE,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 52-12897; Filed, Dec. 5, 1952; 8:45 a. m.]

[Amdt. 22]

PART 609—STANDARD INSTRUMENT APPROACH PROCEDURES

ALTERATIONS

The standard instrument approach procedure alterations appearing hereinafter are adopted to become effective when indicated in order to promote safety of the flying public. Compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act would be impracticable and contrary to the public interest, and therefore is not required.

Part 609 is amended as follows:

1. The low frequency range procedures prescribed in § 609.6 are amended to read in part:

LOW FREQUENCY RANGE PROCEDURES

Station; frequency; identification; class	Minimum initial approach altitude from the direction and radio fix indicated	Final approach range course	Procedure turn minimum at distances from radio range station	Minimum altitude over range—final approach (ft.)	Station to airport		Field elevation (ft.)	Ceiling and visibility minimums					If visual contact not established over airport at authorized landing minimums, or if landing not accomplished; remarks
					Magnetic bearing (degs.)	Distance (mi.)			Day		Night		
									Ceiling (ft.)	Visibility (mi.)	Ceiling (ft.)	Visibility (mi.)	
CASPER, WYO. Natrona Co. Airport 269 kc; CPR; SBRAZ-DTV	N—Min. en route alt. E—Min. en route alt. E—6,000′ (Parkerton FM) (Final) S—Min. en route alt. W—Min. en route alt. (Caspor VOR to LFR—172°, 13 mi, 7,000′)	E	10 mi—6,500′ N side E crs 15 mi—7,000′ N side E crs 20 mi—7,000′ N side E crs 25 mi—7,000′ N side E crs	6,000	256	7.7	5,347	R S* A T	500 #500 800 300	2.0 1.5 2.0 1.0	500 #500 800 300	2.0 2.0 2.0 1.0	Climb to 7,500′ on N crs within 25 mi, or as directed by ATC. *Runway 25. Straight-in minimums less than 500–2 authorized only when ILS LMM operating and utilized, otherwise regular minimums apply. #500–1 day, 500–1.5 night for acft with stall speeds of 75 mph or less. CAUTION: 5,900′ terrain 5 mi SSW and W of arpt. NOTE: Deviation from standard criteria authorized for straigbt-in minimums, initial approach altitudes, and missed approach procedure.
DOUGLAS, ARIZ. Bisbee-Douglas International Airport 379 kc; DUG; BMRLZ-DTV	NE—Min. en route alt. SE—Min. en route alt. SW—Min. en route alt. NW—Min. en route alt.	NW	10 mi—7,000′ N side NW crs 15 mi—7,000′ N side NW crs 20 mi—0,000′ N side NW crs 25 mi—0,000′ N side NW crs	6,150	122	3.5	4,158	R A T	2,000 2,000 400	2.0 2.0 1.0	2,000 2,000 500	3.0 3.0 2.0	If visual contact not established after passing LFR, climb to 10,000′ on NW crs within 25 mi, or as directed by ATC. NOTE: No standby equipment. ADF procedures not authorized. SHUTTLE: SE crs to 0,000′ within 15 mi.
GALVESTON, TEX. Galveston Airport 263 kc; GLS; SBMRLZ-DTV	NE—Min. en route alt. S—Min. en route alt. SW—Min. en route alt. N—Min. en route alt. (Galveston VOR to LRF—160°, 1.8 mi, 1,300′)	N	10 mi—1,400′ W side N crs 15 mi—1,400′ W side N crs 20 mi—NA 25 mi—NA	860	126	4.2	7	R (R) S* A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	Climb to 1,300′ on S crs within 25 mi, or as directed by ATC. *Runway 13. CAUTION: 231′ msl obstruction located 1.6 mi NE of airport.
GULFPORT, MISS. Gulfport Airport (Using Keesler AFB LFR) 391 kc; BIX; MRLWZ	NE—Min. en route alt. SE—Min. en route alt. SW—Min. en route alt. NW—Min. en route alt.	NE	10 mi—1,500′ N side NE crs 15 mi—1,500′ N side NE crs 20 mi—1,500′ N side NE crs 25 mi—1,500′ N side NE crs	1,040	240	10.0	28	R A T	1,000 1,000 300	1.0 2.0 1.0	1,000 1,000 300	2.0 2.0 1.0	Climb to 1,500′ on SW crs within 25 mi, or as directed by ATC.
LAKE CHARLES, LA. Lake Charles AFB 242 kc; LCH; SBRAZ-DTV	N—Min. on route alt. E—Min. on route alt. S—Min. en route alt. W—Min. en route alt. (Lake Charles VOR to LFR—67°, 5.0 mi, 1,300′)	S	10 mi—1,200′ E side S crs 15 mi—1,200′ E side S crs 20 mi—1,200′ E side S crs 25 mi—1,200′ E side S crs	800	347	2.4	18	R (R) A T	500 500 800 300	1.5 1.0 2.0 1.0	500 500 800 300	1.5 1.0 2.0 1.0	Climb to 1,300′ on N crs within 25 mi, or as directed by ATC.

LOW FREQUENCY RANGE PROCEDURES—Continued

Station; frequency; identification; class	Minimum initial approach altitude from the direction and radio fix indicated	Final approach range course	Procedure turn minimum at distances from radio range station	Minimum altitude over range—final approach (ft.)	Station to airport: Magnetic hearing (degs.)	Station to airport: Distance (mi.)	Field elevation (ft.)	Ceiling and visibility minimums	Day: Ceiling (ft.)	Day: Visibility (mi.)	Night: Ceiling (ft.)	Night: Visibility (mi.)	If visual contact not established over airport at authorized landing minimums, or if landing not accomplished; remarks
LAREDO, TEX. Laredo AFB 206 kc; LRD; SBRAZDTV	NE—Min. en route alt. SE—Min. en route alt. SW—Min. en route alt. NW—Min. en route alt. (Laredo VOR to LFR—317°, 8.4 mi, 1,700′).	NW	10 mi—1,700′ W side NW crs 15 mi—1,700′ W side NW crs 20 mi—1,700′ W side NW crs 25 mi—1,700′ W side NW crs	1,200	137	3.1	512	R (R) S* A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	Climb to 1,900′ on SE crs within 25 mi. *Runway 14.
LINCOLN, NEBR. Lincoln Airport 385 kc; LNK; SBMRLZDTV.	N—Min. en route alt. E—Min. en route alt. S—Min. en route alt. W—Min. en route alt.	N	10 mi—2,400′ W side N crs 15 mi—NA 20 mi—NA 25 mi—NA	1,900	170	2.4	1,191	R (R) S* A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	500 500 #500 800 300	1.5 1.0 1.5 2.0 1.0	Climb to 2,600′ on S crs within 25 mi, or as directed by ATC. *Runways 14 and 17. #500-1 for acft with stall speeds of 75 mph or less. NOTE: Deviation from standard criteria authorized for straight-in rate of descent and for procedure turn.
MERCED, CALIF. Merced Airport (Using Castle AFB LFR) 206 kc; MER; MRAZ	NE—Min. en route alt. SE—Min. en route alt. SW—Min. en route alt. NW—Min. en route alt.	NE	10 mi—1,700′ N side NE crs 15 mi—1,700′ 20 mi—NA 25 mi—NA	1,200	158	3.0	155	R (R) A T	600 500 800 300	1.5 1.0 2.0 1.0	600 500 800 300	1.5 1.0 2.0 1.0	Climb to 3,000′ on SW crs: within 25 mi, or as directed: by ATC.
MILWAUKEE, WIS. General Mitchell Airport 242 kc; MKE; SBRAZ-DTV	N—Min. en route alt. E—Min. en route alt. S—Min. en route alt. S—2,000′ (Kenosha FM) S—1,400′ (Franksville FM) (Final) W—Min. en route alt. W—2,300′ (Genesee FM)	S	10 mi—1,900′ E side S crs 15 mi—1,900′ E side S crs 20 mi—1,900′ E side S crs 25 mi—2,000′ E side S crs	1,400	352	2.2	698	R (R) S* A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	500 500 500 800 300	1.5 1.5 1.0 2.0 1.0	Climb to 2,600′ on N crs within 25 mi, or as directed by ATC. *Runway 1.
PIERRE, S. DAK. Pierre Airport 347 kc; PIR; SBRAZ-DTV	N—Min. en route alt. E—Min. en route alt. S—Min. en route alt. W—Min. en route alt. (Pierre VOR to LFR—232°, 2.0 mi, 3,000′)	E	10 mi—3,000′ N side E crs 15 mi—3,000′ N side E crs 20 mi—3,000′ N side E crs 25 mi—3,000′ N side E crs	2,500	268	3.3	1,742	R (R) A T*	500 500 800 300	1.5 1.0 2.0 1.0	500 500 800 300	2.0 1.5 2.0 1.0	Climb to 3,500′ on W crs within 25 mi, or as directed by ATC. *All take-offs to the NW will be restricted to 400-1.
ST. JOSEPH, MO. Rosecrans Memorial Airport 341 kc; STJ; SBMRLZ-DTV	N—Min. en route alt. E—Min. en route alt. S—Min. en route alt. W—Min. en route alt. (St. Joseph VOR to LFR—170°, 17.0 mi, 2,400′)	S	10 mi—2,200′ E side S crs* 15 mi—NA 20 mi—NA 25 mi—NA	1,700	360	3.7	821	R (R) S# A T	700 500 500 800 300	1.5 1.0 1.0 2.0 1.0	700 500 500 800 300	1.5 1.5 1.0 2.0 1.0	Climb to 2,400′ on N crs within 25 mi, or as directed by ATC. *Procedure turn not authorized beyond 10 mi account conflicting Kansas City traffic. #Runway 35. CAUTION: 400′ bluffs W, NW and E of field.
SINCLAIR, WYO. Rawlins Airport 368 kc; SIR; SBRAZ-DTV	N—Min. en route alt. E—Min. en route alt. S—Min. en route alt. W—Min. en route alt.	E	10 mi—*8,600′ N side E crs 15 mi—NA 20 mi—NA 25 mi—NA	8,300	257	5.6	6,784	R A T	1,500 1,500 500	3.0 3.0 1.0	2,000 2,000 (BCOB) #1,500	5.0 5.0 3.0	If visual contact not established over LFR, climb to 10,000′ on W crs within 25 mi, or as directed by ATC. *Procedure turn must be accomplished within 10 mi on account of high terrain to E. #Take-off to SW only. CAUTION: High unlighted terrain surrounding arpt. NOTE: (1) Rawlins Arpt not approved for acft with stall speeds in excess of 75 mph. (2) Deviation from standard criteria authorized for landing minimums and for procedure turn.

LOW FREQUENCY RANGE PROCEDURES—Continued

Station; frequency; identification class	Minimum initial approach altitude from the direction and radio fix indicated	Final approach range course	Procedure turn minimum at distances from radio range station	Minimum altitude over range—final approach (ft.)	Station to airport: Magnetic bearing (dogs.)	Station to airport: Distance (mi.)	Field elevation (ft.)	Ceiling and visibility minimums	Day: Ceiling (ft.)	Day: Visibility (mi.)	Night: Ceiling (ft.)	Night: Visibility (mi.)	If visual contact not established over airport at authorized landing minimums, or if landing not accomplished; remarks
SPRINGFIELD, MO. Springfield Airport 254 kc; SGF; SBRAZ-DTV	NE—Min. en route alt. SE—Min en route alt. SW—Min. en route alt. NW—Min. on route alt. (Springfield VOR to LFR—229°, 7.0 mi, 2,400')	NW	10 mi—2,400' W side NW crs 15 mi—2,400' W side NW crs 20 mi—2,400' W side NW crs 25 mi—2,400' W side NW crs	1,900	134	4.2	1,267	R (R) S* A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	500 500 #500 800 300	1.5 1.0 1.5 2.0 1.0	Climb to 3,000' on SE crs within 25 mi, or as directed by ATC. *Runway 13. #500-1 for acft with stall speeds of 75 mph or less. CAUTION: 1,630' msl tower, 4.5 mi SE of arpt on missed approach.
VICHY, MO. Vichy Airport 344 kc; VIH; BMRLZ-DTV	NE—Min. en route alt. SE—Min. on route alt. SW—Min. on route alt. NW—Min. en route alt. (Vichy VOR to LFR—192°, 4.5 mi, 2,200')	SE	10 mi—2,300' N side SE crs 15 mi—2,300' N sido SE crs 20 mi—2.300' N side SE crs 25 mi—2,300' N side SE crs	1,800	310	2.7	1,148	R (R) S* A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	500 500 #500 800 300	1.5 1.0 1.5 2.0 1.0	Climb to 2,500' on NW crs within 25 mi, or as directed by ATC. * Runway 32. #500-1 for acft with stall speeds of 75 mph or less. NOTE: ADF procedures not authorized.
WATERTOWN, S. DAK. Watertown Airport 382 kc; ATY; BMRLZ-DTV	N—Min. en route alt. E—Min. en route alt. S—Min. en route alt. W—Min. en route alt. (Watertown VOR to LFR—136°, 5.0 mi, 2,900').	E	10 mi—3,000' N side E crs 15 mi—3,000' N side E crs 20 mi—3,000' N sido E crs 25 mi—3,000' N side E crs	2,500	252	2.9	1,747	R (R) A T	500 500 800 300	1.5 1.0 2.0 1.0	500 500 800 300	1.5 1.0 2.0 1.0	Climb to 3,000' on W crs, or as directed by ATC. NOTE: ADF procedures not authorized.
YOUNGSTOWN, OHIO Youngstown Airport 212 kc; YNG; SBMRLZ-DTV.	N—Min. en route alt. N—1,740' (Gustavus FM) (Final) E—Min. on route alt. S—Min. en route alt. W—Min. en route alt.	N	10 ml—2,200' W side N crs 15 ml—2,200' W side N crs 20 mi—2,200' W side N crs 25 mi—2,200' W side N crs	1,740	185	3.4	1,196	R (R) S* A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	500 500 #500 800 300	1.5 1.0 1.5 2.0 1.0	Climb to 2,600' on S crs within 25 mi, or as directed by ATC. *Runway 18. #500-1 for acft wlth stall speedsl of 75 mph or less.

2. The high frequency range procedures prescribed in § 609.7 are amended to read in part:

VHF VISUAL-AURAL (VAR) RANGE PROCEDURES

PASO ROBLES, CALIF. San Luis Obispo Co. Airport	(PROCEDURE CANCELED)
SALINAS, CALIF. Salinas Airport	(PROCEDURE CANCELED)

3. The automatic direction finding procedures prescribed in § 609.9 are amended to read in part:

AUTOMATIC DIRECTION FINDING PROCEDURES

Station: frequency; identity; class	Initial approach to station					Final approach course; degrees inbound; outbound	Procedure turn minimum at distances from station	Minimum altitude over station on final approach (ft.)	Distance from station to approach end of runway (mi.)	Field elevation (ft.)	Minimums			If visual contact not established at authorized landing minimums, or if landing not accomplished; remarks
	From—	To—	Magnetic course (degs.)	Distance (mi.)	Minimum altitude (ft.)						Clear	Ceiling (ft.)	Visibility (mi.)	
DALLAS, TEX. Love Field	(PROCEDURE CANCELED)													
MILWAUKEE, WIS. General Mitchell Airport 219 kc; MK; LOM	Milwaukee LFR	LOM	194	2.5	2,000	5 185	10 mi—2,000′ E side course 15 mi—2,000′ E side course 20 mi—2,000′ E side course 25 mi—2,000′ E side course	1,400	4.6	698	R (R) * S# A T	500 500 500 500 800 300	1.5 1.0 1.5 1.0 2.0 1.0	Climb to 2,600′ on crs of 5° within 25 mi of LOM. *Night minimums. #Runway 1. NOTE: (1) LOM to be monitored continuously during approach. (2) LMM located 0.67 mi from end of Rwy 1; Freq. 201 kc, Ident. KE.
	Franksville FM	LOM	353	8.0	2,000									
	Franksville FM (Final)	LOM	353	8.0	1,400									
	Genesee FM	LOM	105	25.0	2,000									
	Int. E crs Milwaukee LFR & 244° brg to LOM	LOM	244	10.0	2,000									
ST. LOUIS, MO. Lambert-St. Louis Airport 219 kc; ST; LOM	(All directions—MEA from primary fixes)					238 58	10 mi—1,900′ N side course 15 mi—1,900′ N side course 20 mi—1,900′ N side course 25 mi—1,900′ N side course	1,300*	4.84	543	R (R) S# A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	Climb to 2,000′ on crs of 238° within 25 mi of LOM, or as directed by ATC. *773′ msl tank located 0.4 mi E of LFR stn. Do not descend below 1,100′ until after passing abeam LFR stn. NOTE: Deviation from standard criteria authorized in terrain clearance for landing. #Runway 24.
	Int. NW crs Scott LFR & E crs St. Louis LFR (Woodriver Int.)	LOM	255	9.0	1,900									
	St. Louis LFR	LOM	48	2.0	1,900									
	St. Louis VOR	LOM	110	12.0	1,900									
	Int. NW crs Scott LFR & N crs St. Louis LFR (Jerseyville Int.)	LOM	169	22.0	1,900									
TOPEKA, KANS. Philip Billard Airport 304 kc; TOP; MHW	(All directions—MEA from primary fixes)					125 305	10 mi—2,100′ W side course 15 mi—2,100′ W side course 20 mi—2,100′ W side course 25 mi—2,100′ W side course	2,100	4.51	880	R (R) S* A T	600 500 500 800 300	1.5 1.0 1.0 2.0 1.0	Climb to 2,500′ on crs of 125° outbound from Rbn within 25 mi, or as directed by ATC. *Runway 12. CAUTION: 1,018′ msl stack located 1–3/4 mi S of Rbn. NOTE: Deviation from standard criteria authorized for straight-in rate of descent.
	Int. SE crs ILS & SW crs Kans. City LFR	Rbn	305	33.0	2,500									
	Int. 252° brg to Salina VOR & NW crs Forbes LFR	Rbn	71	16.0	2,500									
	Forbes LFR	Rbn	357	15.0	2,400									
	Topeka VOR	Rbn	251	7.0	2,100									
ZANESVILLE, OHIO Zanesville Airport 263 kc; ZZV; BMHTV	(All directions—MEA from primary fixes)					32 212	10 mi—2,200′ E side crs 15 mi—2,200′ E side crs 20 mi—2,200′ E side crs 25 mi—2,200′ E side crs	1,660	2.7	899	R (R) A T	500 500 1,000 (BCOB) 300	1.5 1.0 2.0 1.0	Make right climbing turn to 2,200′ and return to Rbn, or as directed by ATC. NOTE: Rbn must be monitored continuously during approach.
	Int. 280° brg to Columbus VOR & 180° brg to Rbn	Rbn	180	3.0	2,200									
	Int. E crs Columbus LFR & 180° brg to Rbn	Rbn	180	12.0	2,200									
	Int. 265° brg to Columbus VOR & 180° brg to Rbn	Rbn	180	15.0	2,200									
DENVER, COLO. Stapleton Field (Procedure No. 1) 359 kc; DE; LOM	Denver LFR	LOM	68	4.0	6,500	206 26	10 mi.—6,500′ S side crs 15 mi.—6,500′ S side crs 20 mi.—6,500′ S side crs 25 mi.—6,500′ S side crs	6,500	4.19	5,325	R (R) S* A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	Climb to 8,900′ on S crs Denver LFR, or as directed by ATC. *Runway 21. SHUTTLE: On N crs Denver LFR within 25 mi. When directed by ATC, shuttle approved on S crs Denver LFR between rng stn and Aurora FM, and on E crs Denver LFR within 25 mi. CAUTION: 5,918′ msl radio tower, 4.7 mi. ESE of arpt.
	Dupont Int.	LOM	128	5.0	6,500									
	Henderson FM	LOM	145	9.0	6,500									
	Watkins FM	LOM	237	12.0	6,500									
	Aurora FM	LOM	355	10.0	7,000									
	Denver VOR	LOM	216	5.0	6,500									

AUTOMATIC DIRECTION FINDING PROCEDURES—Continued

Station: frequency; identity; class	Initial approach to station					Final approach course; degrees inbound; outbound	Procedure turn minimum at distances from station	Minimum altitude over station on final approach (ft.)	Distance from station to approach end of runway (mi.)	Field elevation (ft.)	Minimums			If visual contact not established at authorized landing minimums, or if landing not accomplished; remarks
	From—	To—	Magnetic course (degs.)	Distance (mi.)	Minimum altitude (ft.)						Clear	Ceiling (ft.)	Visibility (mi.)	
DENVER, COLO. Stapleton Field (Procedure No. 2, Using Aurora Rbn) 296 kc; AUR; MHW	Denver VOR	Rbn	200	13.0	7,000	344 164	10 mi.—7,000′ E side crs 15 mi.—NA 20 mi.—NA 25 mi.—NA (Procedure turn must be accomplished within 10 mi on account of high terrain to S)	**6,200	3.6	5,325	R (R) S# A T	500 500 500 800 300	1.5 1.0 1.0 2.0 1.0	Climb to 6,500′ on crs of 348° from Denver LFR within 25 mi, or as directed by ATC. *Descent below 8,900′ not authorized until 3 mi N of Franktown FM due to 6,715′ terrain 6 mi NW of Franktown. **Do not descend below 5,825′ msl until 15 mi N of Aurora Rbn on account of 5,525′ msl tower at Lowry Field. #Runway 35. SHUTTLE: On N crs Denver LFR within 25 mi. When directed by ATC, shuttle approved on S crs Denver LFR between rng stn and Aurora FM, and on E crs Denver LFR within 25 mi. CAUTION: 5,918′ msl tower, 4.7 mi ESE of airport.
	Denver LFR	Rbn	164	7.0	7,000									
	Franktown FM* (Northbound only)	Rbn	332	22.0	7,000									
	Watkins FM	Rbn	217	18.0	7,000									
	Aurora FM (Final)	Rbn	309	3.0	6,200									
LOS ANGELES, CALIF. Los Angeles International Airport 266 kc; LA; LOM	Los Angeles LFR	LOM	74	2.0	2,000	248 68	10 mi—2,000′ S side crs 15 mi—NA 20 mi—NA 25 mi—NA	1,500	6.04	125	R (R) S* A T	600 500 500 800 300	1.5 1.0 1.0 2.0 1.0	Climb to 2,000′ on crs of 248° within 25 mi of LOM, or as directed by ATC. *Runways 25L & R.
	La Habra FM	LOM	253	18.0	3,000									
	Downey FM & Rbn	LOM	253	9.0	1,500									
OTTUMWA, IOWA. Ottumwa Airport 260 kc; OTM; BHDTV	(All directions—MEA from primary fixes)					360 180	10 mi—1,900′ E side crs 15 mi—1,900′ E side crs 20 mi—1,900′ E side crs 25 mi—1,900′ E side crs	1,440	0.0	845	R (R) A T	600 600 800 300	1.5 1.0 2.0 1.0	Climb to 2,200′ on crs of 360° within 25 mi of Rbn, or as directed by ATC.
	Ottumwa VOR	Rbn	305	8.0	1,900									
WICHITA, KANS. Wichita Airport 219 kc; IC; LOM	(All directions—MEA from primary fixes)					2 182	10 mi—2,800′ E side crs 15 mi—2,800′ E side crs 20 mi—2,800′ E side crs 25 mi—2,800′ E side crs	2,800	5.37	1,371	R (R) S* A T	$500 #500 #500 #800 #300	1.5 1.0 1.0 2.0 1.0	Climb to 2,800′ on crs of 2° within 25 mi of LOM, or as directed by ATC. #Runway 6L/24R not authorized at night. *Runway 36L.
	Towanda FM	LOM	213	24.0	2,800									
	Wichita LFR	LOM	179	7.0	2,800									
	Viola FM	LOM	61	20.0	2,800									
	Oxford FM	LOM	343	20.0	2,800									
	Wichita VOR	LOM	178	17.0	2,800									

4. The instrument landing system procedures prescribed in § 609.11 are amended to read in part:

INSTRUMENT LANDING SYSTEM PROCEDURES

ILS location and range from which initial approach to ILS shall be made	Transition to ILS					Final ILS approach course, degrees inbound; outbound	Procedure turn minimum on ILS	Minimum altitude at glide path interception (ft.)	Glide path altitude over markers (ft.)		Distance from markers to approach end of runway (mi.)		Field elevation (ft.)	Minimums			If visual contact not established at authorized landing minimums, or if landing not accomplished; remarks
	From—	To—	Magnetic course (degs.)	Distance (mi.)	Minimum altitude (ft.)				Outer	Middle	Outer	Middle			Ceiling (ft.)	Visibility (mi.)	
AKRON, OHIO Akron-Canton Airport (Procedure No. 1) Freq. 109.5 mc Ident. CAK	Bergholz Rbn	Outer marker	313	33.0	2,500	S 6 186	2,500′—E side S crs	2,400	2,340	1,430	4.31	0.78	1,228	R (R) S* A T	500 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climb to 2,500′ on crs of 45° to SE crs of Akron LFR, or as directed by ATC. *Runway 36.
	Akron LFR	Outer marker	176	13.0	2,500												
	Int. SE crs Akron LFR and 270° brg to LOM	Outer marker	270	18.0	2,500												
	Int. SW crs Akron LFR and 90° brg to LOM	Outer marker	90	14.0	2,500												
	Int. SE crs Akron LFR and N crs ILS	Outer marker	186	11.0	2,500												
(Procedure No. 2)	LOM	Lakemore Int.*	6	11.4	2,500	N 186 6	2,500′—E side N crs	2,500 (Over Lakemore Int.)			5.8 (From Lakemore Int.)		1,228	R (R) S# A T	500 500 400 800 300	1.5 1.0 1.0 2.0 1.0	Climb to 2,500′ on S crs ILS to LOM, or as directed by ATC. *Fix formed by the intersection of SE crs Akron LFR and N crs Akron-Canton ILS localizer. #Runway 18.
	Int. NE crs Akron LFR and N crs ILS (Final)	Lakemore Int.	186	4.3	1,980												
	Int. E crs Wellington VAR and N crs ILS (Final)	Lakemore Int.	186	5.8	1,980												
	Int. 75° brg to Youngstown VOR and N crs ILS (Final)	Lakemore Int.	186	7.3	1,980												
	Int. 56° brg to Youngstown VOR and S crs ILS	Lakemore Int.	6	10.6	2,500												
	Int. 323° brg to Cleveland VOR and N crs ILS	Lakemore Int.	6	2.4	2,500												
	Int. 300° brg to Cleveland VOR and N crs ILS	Lakemore Int.	186	15.8	2,500												
	Int. 281° brg to Cleveland VOR and N crs ILS	Lakemore Int.	186	26.5	2,500												
	Int. E crs Cleveland VOR and N crs ILS	Lakemore Int.	186	25.0	2,500												
BAKERSFIELD, CALIF. Bakersfield-Kern Co. Airport No. 1 Freq. 109.9 mc Ident. BFL	Bakersfield LFR	SE crs ILS	141	1.5	2,000	SE 300 120	1,820′—S side SE crs (Within 10 mi NA beyond 10 miles)	1,820	1,820	690	4.71	0.62	515	R S* A T	700 400 800 300	2.0 1.0 2.0 1.0	Climb to 3,000′ on NW crs of Bakersfield LFR, or on crs of 320° from VOR within 25 mi, or as directed by ATC. *Runway 30. #Take-offs or landings on Rwys 7 and 25 not authorized. NOTE: No reduction in landing minimums for acft with stall speeds of 75 mph or less.
	Bakersfield VOR	SE crs ILS	131	4.5	2,000												
BUFFALO, N. Y. Buffalo Airport Freq. 110.3 mc Ident. BUF (Procedure No. 1)	SW crs Buffalo LFR	SW crs ILS	52	0.0	2,000	NE 232 52	1,800′—N side NE crs	1,800	1,750	930	4.20	0.66	711	R (R) S* A T	500 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climb to 2,000′ on SW crs ILS, or as directed by ATC. *Runway 23.
	Wolcottsville FM	LOM	224	8.0	1,800												

INSTRUMENT LANDING SYSTEM PROCEDURES—Continued

ILS location and range from which initial approach to ILS shall be made	Transition to ILS: From—	To—	Magnetic course (degs.)	Distance (mi.)	Minimum altitude (ft.)	Final ILS approach course, degrees nbound; outhound	Procedure turn minimum on ILS	Minimum altitude at glide patb interception (ft.)	Glide patb altitude over markers (ft.): Outer	Middle	Distance from markers to approach end of runway (mi.): Outer	Middle	Field elevation (ft.)	Minimums	Ceiling (ft.)	Visibility (mi.)	If visual contact not estahlisbed at authorized landing minimums, or if landing not accomplisbed; remarks
CLEVELAND, OHIO Cleveland-Hopkins Airport Freq. 109.9 mc Ident. CLE	Cleveland LFR	LOM	224	4.5	2,100	SW 54 234	2,100′—S side SW crs (Witbin 5 mi) 2,200′—within 25 mi	2,100	2,070	1,020	4.50	0.71	789	R (R) S* A T	500 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Make right climhing turn, climb to 2,600′ on E crs Cleveland LFR, or on crs of 101° from Cleveland VOR, or as directed by ATC. *Runway 5L.
	Cleveland VOR	LOM	161	6.0	2,100												
	Elyria FM	SW crs ILS	135	8.0	2,100												
	Int. NW crs Akron LFR and SW crs ILS	LOM	54	8.0	2,200												
	Avon Lake FM	LOM	171	10.0	2,100												
	N. Royalton FM	LOM	303	11.0	2,600												
EUGENE, OREG. Mahlon Sweet Airport Freq. 109.9 mc Ident. EUG	Eugene LFR	N crs ILS (outbound)	338	**	2,000	N 158 338	2,000′—E side N crs (Procedure turn to W—NA due to higb terrain)	1,570	1,570	550	4.59	0.63	365	R (R) S* A T	600 500 #400 800 300	1.5 1.0 1.0 2.0 1.0	Turn right, climb to 3,000′ on N crs Eugene LFR within 25 mi of LFR, or as directed hy ATC. *Runway 16. #500–1 when approach lights or glide patb are inoperative. **Eugene LFR stn (251 kc) is adjacent to W side of N crs ILS. ##Freq. 379 kc, Ident. EU. NOTE: Deviation from standard criteria autborized for procedure turn and missed approach procedure.
	Cottage Gfove FM	S crs ILS (inhound)	320	12.0	3,100												
	Eugene VOR	LOM##	343	0.2	2,000												
FRESNO, CALIF. Fresno Air Terminal Freq. 110.3 mc Ident. FNO	Fresno LFR	SE crs ILS (LOM)	71	11.0	1,700	SE 288 108	1,700′—S side SE crs (Within 10 mi of OM)	1,700	1,400	535	4.44	0.70	331	R (R) S# A T	500 500 400 800 300	1.5 1.0 ¾ 2.0 1.0	Climh on heading of 288° to 1,500′, then turn left and climb to 2,000′ on W crs Fresno LFR, or on crs of 272° from Fresno VOR witbin 20 mi, or as directed by ATC. #Runway 29. NOTE: Deviation authorized on direction of proccdure turn due to more suitable terrain.
	Bowlos FM	SE crs ILS (LOM)	15	12.0	1,700												
	Fresno VOR	SE crs ILS (LOM)	56	8.0	1,700												
HOUSTON, TEX. Houston Airport Freq. 109.9 mc Ident. HOU	Houston VOR	LOM	219	6.0	1,200	SW 35 215	1,300′—S side SW crs	1,260	1,260	250	4.78	0.66	50	R (R) S* A T	500 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climh to 1,600′ on NE crs ILS within 25 mi, or as directed hy ATC. *Runway 3.
	Houston LFR	SW crs ILS	309	2.5	1,200												
	Houston FM	SW crs ILS	129	6.0	1,200												
	Arcola FM	SW crs ILS	15	4.5	1,200												
	Houston FM	LOM	168	9.0	1,200												
	Webster FM	LOM	284	13.0	1,200												
INDIANAPOLIS, IND. Indianapolis Airport Freq. 109.9 mc Ident. IND	Clayton FM	SW crs ILS	105	8.0	1,900	SW 44 224	1,900′—S side SW crs	1,900	1,920	1,055	4.30	0.90	796	R (R) S* A T	500 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climh to 2,300′ on E crs Indianapolis LFR to NW crs Cincinnati LFR, or as directed hy ATC. *Runway 4.
	Indianapolis LFR	SW crs ILS	193	4.0	1,900												
	Int. E crs Indianapolis LFR and SW crs ILS	LOM	224	5.5	1,900												
	Int. S crs Indianapolis LFR and SW crs ILS	LOM	224	0.5	1,900												
MIAMI, FLA. Miami International Airport Freq. 109.5 mc Ident. MIA	Miami LFR	LOM*	85	1.5	1,100	W 85 265	1,100′—N side W crs	1,100	1,100	200	4.40	0.66	9	R (R) S# A T	500 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climh to 1,400′ on E crs ILS, or as directed hy ATC. *Rigbt turn from S or left turn from N from Miaml LFR stn to the outer marker not autborized. #Runway 9R. NOTE: Deviation authorized in direction of procedure turn to avoid conflict with traffic at Tamiami Airport.
	Miami VOR	LOM	263	1.5	1,100												
	Krome FM	LOM	91	10.0	1,100												

INSTRUMENT LANDING SYSTEM PROCEDURES—Continued

ILS location and range from which initial approach to ILS shall be made	Transition to ILS					Final ILS approach course, degrees inbound; outbound	Procedure turn minimum on ILS	Minimum altitude at glide path interception (ft.)	Glide path altitude over markers (ft.)		Distance from markers to approach end of runway (mi.)		Field elevation (ft.)	Minimums			If visual contact not established at authorized landing minimums, or if landing not accomplished; remarks
	From—	To—	Magnetic course (degs.)	Distance (mi.)	Minimum altitude (ft.)				Outer	Middle	Outer	Middle			Ceiling (ft.)	Visibility (mi.)	
MILWAUKEE, WIS. General Mitchell Airport Freq. 110.3 mc Ident. MKE	Milwaukee LFR	Outer Marker	194	2.5	2,000	S 5 185	2,000′—E side S crs	2,000	2,006	918	4.60	0.67	698	R (R) (*) S# A T	500 500 500 400 800 300	1.5 1.0 1.5 3/4 2.0 1.0	Climb to 2,600′ on N crs Milwaukee LFR within 25 ml, or as directed by ATC. *Night minimums. #Runway 1.
	Int. N. crs Milwaukee and S crs ILS	Outer Marker	185	4.3	2,000												
	Franksville FM	S crs ILS	340	3.8	2,000												
	Int. W crs Milwaukee LFR and S crs ILS	Outer Marker	185	2.5	2,000												
MINNEAPOLIS, MINN. Minneapolis-St. Paul International Airport (Wold-Chamberlain Field) Freq. 110.3 mc Ident. MSP	Minneapolis LFR	LOM	132	1.5	2,100	SE 295 115	2,100′—N side SE crs	2,100	2,060	1,035	4.70	0.65	840	R (R) S* A T	500 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climb to 2,500′ on NW crs of Minneapolis LFR or on crs of 299° from Minneapolis VOR to Hamel FM, or as directed by ATC. *Runway 29L.
	Minneapolis VOR	LOM	104	1.5	2,100												
	Hastings FM	Glide path interception (final)	295	8.0	2,100												
	Stanton Rbn	SE crs ILS	360	23.0	2,200												
	Jordan FM	LOM	61	26.0	2,200												
NEW YORK, N. Y. New York International Airport Freq. 109.5 mc Ident. IDL (Procedure No. 1)	Int. SE crs Newark LFR and SW crs ILS	LOM	42	11.2	1,000	SW 42 222	1,200′—S side SW crs	1,000	770	230	2.90	0.63	12	R (R) S* A T	500 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climb to 500′ on NE crs ILS, make a standard rate climbing turn to the right to a heading of 130°, intersecting the SW crs of Mitchel LFR, climb to 1,500′ outbound on the SW crs of Mitchel LFR, or as directed by ATC. *Runway 4R.
	Idlewild LFR	LOM	222	0.0	1,200												
OAKLAND, CALIF. Oakland Airport Freq. 109.9 mc Ident. O A K	Newark FM and Rbn	Hayward Rbn	340	7.0	2,590	E 274 94	3,500′—S side E crs*	2,590	1,320	230	4.75	0.66	5	R (R) S# A T	600 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climb to 3,000′ on NW crs Oakland LFR witbin 15 mi, or on crs of 310° from Oakland VOR within 15 mi, or as directed by ATC. *Procedure turn on Oakland LFR transition only. Upon completion of procedure turn and transition to localizer crs inbound, descent is autborized to cross Hayward Rbn at 2,590′. #Runway 27R.
	Oakland LFR	Hayward Rbn	98	11.0	3,500												
	Oakland VOR	Hayward Rbn	93	12.0	3,500												
RALEIGH, N C. Raleigh-Durham Airport Freq. 108.3 mc Ident. R D U	Raleigh LFR	LOM	263	8.0	2,000	SW 49 229	1,600′—S side SW crs	1,585	1,585	615	4.43	0.62	435	R (R) S* A T	500 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climb to 1,600′ on NE crs of Raleigh LFR within 25 mi, or as directed by ATC. *Runway 5.
	Int. NW crs Raleigh LFR and SW crs ILS	LOM	229	5.0	1,600												
	Raleigh VOR	LOM	303	12.0	2,000												
ROCK SPRINGS, WYO. Rock Springs Airport Freq. 110.3 mc Ident. R K S	Rock Springs LFR	LOM	90	1.5	9,200	E 254 74	9,200′—N side E crs	8,700	7,850	6,950*	4.50	0.70	6,752	R ** (R) ** S+ A T#	500 500 500 500 *400 800 300	1.5 2.0 1.0 2.0 3/4 2.0 1.0	Climb to 10,000′ on W crs Rock Springs LFR. *When glide path or approach lights are inoperative, regular approach minimums apply and descent to 7,260′ msl autborized at middle marker, this rate of descent being a deviation from standard criteria. **Night minimums. #Nigbt take-offs authorized on Rwys 7 and 25 only. +Runway 25.
	Int. E crs ILS and W crs Rock Springs LFR	LOM	74	4.5	9,200												
	Point of Rocks FM	E crs ILS	235	7.0	9,200												
	Rock Springs VOR	E crs ILS	62	2.5	9,200												

INSTRUMENT LANDING SYSTEM PROCEDURES—Continued

ILS location and range from which initial approach to ILS shall be made	Transition to ILS					Final ILS approach course, degrees inbound; outbound	Procedure turn minimum on ILS	Minimum altitude at glide path interception (ft.)	Glide path altitude over markers (ft.)		Distance from markers to approach end of runway (mi.)		Field elevation (ft.)	Minimums			If visual contact not established at authorized landing minimums, or if landing not accomplished; remarks
	From—	To—	Magnetic course (degs.)	Distance (mi.)	Minimum altitude (ft.)				Outer	Middle	Outer	Middle			Ceiling (ft.)	Visibility (mi.)	
SACRAMENTO, CALIF. Sacramento Airport Freq. 110.3 mc Ident. S A C	Sacramento VOR	SW crs ILS (LOM)	18	0.7	1,200	SW 16 196	1,200'—S side SW crs*	1,169	1,169	213	4.60	0.59	21	R (R) S# A T	600 500 400 800 300	1.5 1.0 3/4 2.0 1.0	Climb to 2,500' on NE crs Sacramento LFR within 20 mi, or on crs of 22° from Sacramento VOR with in 20 mi, or as directed by ATC. *Procedure turn not authorized beyond Clarksburg FM. #Runway 2.
	Sacramento LFR	SW crs ILS (LOM)	187	3.0	1,200												
	Clarksburg FM	SW crs ILS (LOM)	22	8.0	1,200												
	Travis LFR	SW crs ILS (LOM)	43	19.0	1,200												
	Int. SE crs Sacramento LFR and N crs Stockton (Galt Int.)	SW crs ILS (LOM)	298	16.0	1,200												
ST. JOSEPH, MO. Rosecrans Memorial Airport Freq. 110.3 mc Ident STJ	St. Joseph LFR	Outor marker	125	0.8	2,100	S 352 172	2,200'—E side S crs*	2,200	1,800	1,050	4.18	0.86	821	R (R) ** S# A T	700 500 500 400 800 300	1.5 1.0 1.5 ¾ 2.0 1.0	Climb to 2,400' on N crs ILS within 25 mi, or as directed by ATC. *Procedure turn beyond 10 mi NA due to conflicting Kansas City traffic. **Night miniumms. #Runway 35.
	St. Joseph VOR	N crs ILS	153	2.0	2,400												
ST. LOUIS, MO. Lambert-St. Louis Airport Freq. 110.3 mc Ident. STL	St. Louis VOR	Outer marker	110	12.0	1,800	NE 238 58	1,800'—N side NE crs	1,800	1,800	750	4.84	0.64	543	R (R) S* A T	500 500 400 800 300	1.5 1.0 ¾ 2.0 1.0	Climb to 2,000' on SW crs ILS within mi, or as directed by ATC. *Runway 24.
	Int. NW crs Scott LFR and NE crs ILS	Outer marker	238	8.0	1,800												
	Int. SW crs ILS and NE crs Vichy LFR	Outer marker	58	57.0	3,000												
	St. Louis LFR	NE crs ILS (outbound)	35	1.0	1,800												
	Jerseyville Int.	LOM	169	22.0	1,800												
	Int. NW crs Scott LFR and E crs St. Louis LFR	NE crs ILS	285	3.5	1,800												

These procedures shall become effective upon publication in the FEDERAL REGISTER.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

[SEAL]

JOSEPH D. BLATT,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 52-12811; Filed, Dec. 5, 1952; 8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Bureau of Animal Industry

[9 CFR Part 94]

RINDERPEST AND FOOT-AND-MOUTH DISEASE

NOTICE OF PROPOSED DETERMINATION OF NONEXISTENCE IN CANADA AND IMPOSING PROHIBITIONS AND RESTRICTIONS ON IMPORTATION OF SPECIFIED ANIMALS AND ANIMAL PRODUCTS ON ACCOUNT OF CERTAIN DISEASES

Notice is hereby given in accordance with section 4 (a) of the Administrative Procedure Act (5 U. S. C. 1003 (a)), that the Secretary of Agriculture pursuant to the authority conferred upon him by section 306 of the Tariff Act of 1930 (19 U. S. C. 1306) and section 2 of the act of February 2, 1903, as amended (21 U. S. C. 111) proposes to determine, and to give notice of such determination, that neither rinderpest nor foot-and-mouth disease now exists in Canada, and to amend the regulations in 9 CFR Part 94, as amended (B. A. I. Order 373) imposing prohibitions and restrictions on the importation of specified animals and animal products on account of rinderpest and foot-and-mouth disease and certain other diseases by striking the word "Canada" from § 94.1 of the regulations.

The proposed determination, notification, and amendment, would remove the present prohibition under section 306 of the Tariff Act upon importation into the United States of cattle, sheep, other domestic ruminants, and swine, and of fresh, chilled or frozen beef, veal, mutton, lamb, or pork from Canada and render the commodities specified in 9 CFR Part 94, as amended (B. A. I. Order 373), and originating in said country, no longer subject to the provisions of that part.

Any person who wishes to submit written data, views, or arguments concerning the proposed determination and amendment may do so by filing them with the Chief of the Bureau of Animal Industry, Agricultural Research Administration, United States Department of Agriculture, Washington 25, D. C., on or before January 16, 1953.

Done at Washington, D. C., this 4th day of December 1952.

[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 52–12954; Filed, Dec. 4, 1952; 8:53 a. m.]

Production and Marketing Administration

[7 CFR Part 51]

U. S. STANDARDS FOR PINEAPPLES

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the issuance of revised United States Standards for Pineapples under the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.) and the Department of Agriculture Appropriation Act, 1953 (Pub. Law 451, 82d Cong., approved July 5, 1952) to supersede Suggested Tentative United States Grades for Pineapples issued December 4, 1931, and United States Standards for Porto Rican Pineapples issued October 27, 1931.

All persons who desire to submit written data, views or arguments for consideration in connection with the proposed standards should file the same with M. W. Baker, Deputy Director, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, South Building, Washington 25, D. C., not later than 5:30 p. m., e. s. t. on the thirtieth (30) day after the date of publication of this notice in the FEDERAL FEGISTER.

The proposed standards are as follows:

§ 51.355 *Standards for pineapples—*(a) *Grades—*(1) *U. S. Fancy.* U. S. Fancy consists of pineapples of similar varietal characteristics, which are mature, firm, dry and well formed, which have well developed eyes, and which are free from decay and sunscald, and free from injury caused by bruising, sunburn, and gummosis, and free from damage caused by disease, insects, rodents or mechanical or other means. The butts shall be well trimmed, well cured, and free from damage caused by cracks. The tops shall be of characteristic color, single, straight, well attached to the fruit and free from crown slips. The length of the tops shall be not less than 5 inches nor more than 1½ times the length of the fruit. (See Size and Marking Requirements.)

(i) In order to allow for variations incident to proper grading and handling other than for size and marking, not more than a total of 10 percent, by count, of the pineapples in any lot may fail to meet the requirements of the grade: *Provided,* That not more than one-half of this amount, or 5 percent, shall be allowed for pineapples which are seriously damaged, including therein not more than 1 percent for pineapples affected by decay.

(2) *U. S. No. 1.* U. S. No. 1 consists of pineapples of similar varietal characteristics, which are mature, firm, dry and well formed, which have well developed eyes, and which are free from decay and sunscald, and free from damage caused by bruising, sunburn, gummosis, disease, insects, rodents or mechanical or other means. The butts shall be well trimmed, fairly well cured and shall not be badly cracked. The tops shall be of characteristic color, single, reasonably straight, well attached to the fruit, and shall have not more than 5 crown slips, not more than 2 of which may be more than 2¾ inches in length. The length of the tops shall be not less than 4 inches nor more than twice the length of the fruit. (See Size and Marking Requirements.)

(i) In order to allow for variations incident to proper grading and handling, other than for size and marking, not more than a total of 10 percent, by count, of the pineapples in any lot may fail to meet the requirements of the grade: *Provided,* That not more than one-half of this amount, or 5 percent, shall be allowed for pineapples which are seriously damaged, including therein not more than 1 percent for pineapples affected by decay.

(3) *U. S. No. 2.* U. S. No. 2 consists of pineapples of similar varietal characteristics, which are mature, firm and fairly well formed, which have fairly well developed eyes, and which are free from decay, and sunscald, and free from serious damage caused by bruising, sunburn, gummosis, disease, insects, rodents or mechanical or other means. The butts shall be fairly well cured. The tops shall be of characteristic color, well attached to the fruit, not completely curved over and shall consist of not more than 2 fairly well developed stems but may have any number of crown slips. (See Size and Marking Requirements.)

(i) In order to allow for variations incident to proper grading and handling, other than for size and marking, not more than a total of 10 percent, by count, of the pineapples in any lot may fail to meet the requirements of the grade: *Provided,* That not more than one-tenth of this amount, or 1 percent, shall be allowed for pineapples affected by decay.

(b) *Unclassified.* Unclassified consists of pineapples which have not been classified in accordance with any of the foregoing grades. The term "unclassified" is not a grade within the meaning of these standards but is provided as a designation to show that no definite grade has been applied to the lot.

(c) *Application of tolerances.* (1) The contents of individual packages in the lot, based on sample inspection, are subject to the following limitations: *Provided,* That the averages for the entire lot are within the tolerances specified for the grade.

(i) For a tolerance of 10 percent or more, individual packages in any lot may contain not more than one and one-half times the tolerance specified.

(ii) For a tolerance of less than 10 percent, individual packages in any lot may contain not more than double the tolerance specified, except that at least one decayed or otherwise defective fruit may be permitted in any package.

(d) *Size and marking requirements.* (1) The pineapples in each container shall be fairly uniform in size and the count shall be plainly stamped, stenciled or otherwise marked on the container.

(2) In order to allow for variations incident to proper packing not more than 5 percent of the packages in any lot may fail to meet the requirements pertaining to size and marking.

(e) *Definitions.* (1) "Similar varietal characteristics" means that the pineapples in any lot are similar in type and character of growth.

(2) "Mature" means that the pineapple has reached the stage of develop-

ment which will insure a proper completion of the ripening process.

(3) "Firm" means that the fruit does not yield to slight pressure.

(4) "Dry" means that the surface of the fruit is free from moisture other than that resulting from condensation.

(5) "Well formed" means that the fruit shows good shoulder development and is not lopsided or distinctly pointed, and that the sides are not noticeably flattened.

(6) "Well developed eyes" means eyes which have developed normally.

(7) "Injury" means any defect which more than slightly affects the appearance or the edible or shipping quality of the fruit. Sunburn which will not more than slightly affect the appearance of the fruit when ripe, or gummosis which is very slight shall not be considered as injury.

(8) "Damage" means any defect which materially affects the appearance, or the edible or shipping quality of the fruit. Sunburn which will not materially affect the appearance of the fruit when ripe, or gummosis which is slight or does not materially discolor the eyes shall not be considered as damage.

(9) "Well trimmed" means that the bracts on the stem next to the base of the fruit have been removed and the stem has been cut off so that the fruit will stand straight when placed butt end down on a flat surface.

(10) "Well cured" means that the cut portion of the butt has completely calloused over.

(11) "Characteristic color" means that at shipping points the tops are of good green color characteristic of well-grown pineapples, and in the receiving markets, are fairly good green color and relatively free from dryness and discoloration.

(12) "Single top" means that the fruit does not have more than one prominent main stem at the crown of the fruit.

(13) "Crown slips" means the small, secondary top growths at the crown of the fruit.

(14) "Fairly well cured" means that the cut portion of the butt is free from bleeding.

(15) "Fairly well formed" means that the fruit is not excessively lopsided or excessively flattened at the shoulders or sides.

(16) "Fairly well developed eyes" means eyes which show fairly normal development and are not badly misshapen.

(17) "Serious damage" means any defect which seriously affects the appearance, or the edible or shipping quality of the fruit.

(18) "Fairly uniform in size" means that for counts 18 or less in standard southeastern pineapple crates, the pineapples do not vary more than ⅝ inch in diameter, and for counts over 18 in number the pineapples do not vary more than ½ inch in diameter. Diameter shall be the greatest dimension measured at right angles to a line from top to butt.

Done at Washington, D. C., this 2d day of December 1952.

[SEAL] GEORGE A. DICE,
Acting Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 52-12944; Filed, Dec. 5, 1952; 8:52 a. m.]

[7 CFR Part 52]

U. S. STANDARDS FOR GRADES OF CANNED GREEN BEANS AND CANNED WAX BEANS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the amendment, as herein proposed, of United States Standards for Grades of Canned Green Beans and Canned Wax Beans (16 F. R. 6790), pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.), and the Department of Agriculture Appropriation Act, 1953 (Pub. Law 451; 82d Cong., approved July 5, 1952).

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed amendment should file the same, in duplicate, with the Chief, Processed Products Standardization and Inspection Division, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C., not later than 30 days after publication hereof in the FEDERAL REGISTER.

The proposed amendment is as follows:

In § 52.165 (e), Table No. I, is amended to read as follows:

TABLE NO. I—RECOMMENDED MINIMUM DRAINED WEIGHTS, IN OUNCES, OF GREEN BEANS AND WAX BEANS

Container size or designation	Styles of canned beans			
	Whole	Whole vertical pack or whole asparagus style	Short cuts and cuts less than 1½ inches	French style and cuts 1½ inches and longer
8 Z tall	4¾	5¼	5	4¾
8 ounce jar	4½	----------	4¾	4½
No. 1 (picnic)	5¾	6¼	6	5¾
No. 1 tall	9	10	9¼	9
No. 300	8¼	9¼	8½	8¼
No. 300 jar	8½	----------	8¾	8½
No. 303	9¼	10	9½	9¼
No. 303 jar	9¾	----------	10	9¾
No. 2	11¼	12¼	11½	11¼
No. 2½	16¼	18	16¾	16¼
No. 2½ jar	16¼	----------	16¾	16¼
No. 10	61	66	63	61

Done at Washington, D. C., this 2d day of December 1952.

[SEAL] GEORGE A. DICE,
Acting Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 52-12945; Filed, Dec. 5, 1952; 8:52 a. m.]

CIVIL AERONAUTICS BOARD

[14 CFR Parts 40, 61]

SCHEDULED INTERSTATE AIR CARRIER CERTIFICATION AND OPERATION RULES

SUPPLEMENTAL NOTICE OF PROPOSED RULE MAKING AND ORAL ARGUMENT

By notice dated July 25, 1952, and published in the FEDERAL REGISTER on July 30, 1952 (17 F. R. 6971), the Board gave notice that it has under consideration the adoption of a revision of Part 40 of the Civil Air Regulations. Reference is made to said notice for a full explanation of the purpose and background of the proposed rules. Copies of the notice may be obtained from the Director, Bureau of Safety Regulation, Civil Aeronautics Board, Washington 25, D. C.

In the notice dated July 25, 1952, the Board requested that it be advised with respect to any matter contained in the notice concerning which interested persons desired to present oral argument to the Board. The Board having received requests which appeared to warrant it, notice is hereby given that the Board will hear oral argument with respect to the matters described herein on January 8, 1953, at 10 a. m., e. s. t., in Room 5042, Department of Commerce Building, Washington, D. C. In order that all interested persons may have the opportunity to ascertain the arguments to be presented to the Board and thereby present views which differ from those proposed to be presented by the persons requesting opportunity for oral argument, persons desiring to be heard are requested to inform John M. Chamberlain, Director, Bureau of Safety Regulation, Civil Aeronautics Board, Washington 25, D. C., not later than December 24, 1952, with regard to each of the matters described herein concerning which they desire to present oral argument and to submit a brief statement containing the nature of the argument to be presented. It is contemplated that replies to this notice will be utilized for the purpose of allocation of time to each speaker for presentation of oral argument. Each person desiring to present oral argument will be notified as soon as practicable of the time allocation. As a general guide, however, it is expected that in view of the number of issues to be heard and the number of persons expected to participate in oral argument that approximately 20 minutes will be allocated for the presentation of the views in favor of a particular proposal and a similar time for the opposition views. Where more than one person desires to present argument in favor of or in opposition to a particular proposal, it is proposed that the total time for such presentation will be divided between such persons. Copies of replies received in response to this notice will be available after December 29, 1952, for examination by interested persons at the Docket Section of the Board, Room 5412, Commerce Building, Washington, D. C.

In the event interested persons desire to review the comments submitted to the

Board in response to the notice of proposed rule making dated July 25, 1952, all such persons are advised that these comments are currently on file at the Docket Section of the Board and are available for examination.

As a result of comment received in response to the notice dated July 25, 1952, the Board desires to hear oral argument with respect to the following matters:

NONTRANSPORT CATEGORY PERFORMANCE LIMITATIONS

Proposed performance limitations for application to nontransport category aircraft were circulated as Draft Release No. 52–11, dated April 2, 1952. As a result of comment received this proposal was reconsidered, and it appeared to be advisable that the runway length margins for landing be increased. Accordingly, these margins were increased from 30 percent to 40 percent. With this change the nontransport category performance limitations were incorporated into §§ 40.62 through 40.65 of the proposed revision to Part 40.

As a result of the Board's publication of the notice of proposed revision of Part 40 on July 25, 1952, the Air Line Pilots Association (ALPA) submitted two recommendations for substantive changes in these limitations. The first of these was the application of temperature accountability to the take-off requirement, and the second was an increase in the runway gradient correction requirement to take account of all gradient. The Air Transport Association (ATA), on the other hand, recommended that the amount of gradient excepted in the take-off requirement be increased from ½ percent to one percent and that the runway length margins for landing be reduced to 30 percent as originally proposed in Draft Release No. 52–11.

In view of the foregoing the Board desires to hear oral argument as to:

1. Whether temperature accountability should be incorporated into the take-off requirements applicable to nontransport category aircraft and, if so, to what extent and in what form should account of temperature be taken.

2. What account should be taken of runway gradient in applying the take-off requirements applicable to nontransport category aircraft.

3. What runway length margins should apply to the landing distance requirements applicable to nontransport category aircraft.

RADIO EQUIPMENT FOR OPERATIONS UNDER VFR OVER ROUTES NOT NAVIGATED BY PILOTAGE OR FOR OPERATIONS UNDER IFR

With the advent of VHF airways in domestic United States the situation has arisen whereby in particular operations the scheduled air carriers may use a combination of VHF and LF/MF navigation facilities. Under such circumstances § 40.92 (c) of proposed Part 40 would require that aircraft be equipped with one VHF and one LF/MF receiver; providing that the aircraft is so fueled that in case of failure of any one such receiver the aircraft could proceed to a suitable alternate airport possessing ground radio navigation facilities the signals of which may be received by the remaining equipment. This requirement intended to insure that there in fact exists an equivalent of the dual airborne equipment required under the existing rules.

The ALPA proposes that this section be reworded as follows: "When the safety of a flight would not be adversely affected by the failure of a single receiver system, an aircraft engaged in such a flight may be equipped with two low frequency and one VHF or two VHF and one low frequency radio range receiving systems, provided that the ground facilities are so located in relation to the route and the aircraft so fueled that in case of failure of the single receiver system the flight may proceed to a suitable alternate which has ground radio navigation facilities the signals of which may be received by the dual receiver in the aircraft."

In view of the foregoing the Board desires to hear oral argument as to whether compliance with the requirement stated in § 40.92 (c) constitutes effective duplication of navigation receiving equipment and, if not, what alternative requirements should be included to achieve such an end.

CHECK AIRMEN

Section 40.120 (b) of proposed Part 40 requires that an air carrier provide a sufficient number of check airmen holding airman certificates and ratings appropriate to the type of check to be conducted. A check airman is defined as "an airman designated by air carrier and approved by the Administrator to examine other airmen to determine their proficiency with respect to procedures and technique and their competence to perform their respective airman duties" (§ 40.2 (a) (15)). The above provisions include a three-fold safeguard to insure the competence of check airmen: first, the holding of appropriate certificates and ratings; second, specific selection and designation for such duty by the air carrier; and third, approval by the Administrator.

The Flight Engineers' International Association (FEIA) proposes an additional condition in § 40.120 (b) by requiring that check airmen be "actively engaged in the same occupation as the airmen being checked." This proposal raises certain issues as to whether such a condition would prohibit the use of professional check airmen and whether such a prohibition would constitute an undesirable impediment to the exercise of managerial discretion. It is further questioned whether any occupational experience as flight engineer is necessary for proper evaluation of the competence of flight engineers.

In view of the foregoing the Board desires to hear oral argument as to whether it is necessary that a check airman be actively engaged in the same occupation as the airman to be checked, in order to insure his competence to serve as a check airman.

RECURRENT AIRMAN TRAINING

Section 40.126 of proposed Part 40 requires the air carrier to provide such training as is necessary to insure the continued competence of each crew member and dispatcher and to insure that each possesses adequate knowledge and familiarity with all new equipment and procedures to be used by him. This section also requires that the air carrier shall, at intervals established as a part of a training program, check the competence of each crew member and dispatcher as a means of insuring that each such individual is in fact competent to perform his duties.

The FEIA has recommended that this requirement specify that the "interval" for checking crew members and dispatchers be not less than six months. The reason stated for this proposal is that unless a minimum period is specified the voluntary training programs would not be carried out.

In view of the foregoing the Board desires to hear oral argument as to whether it is necessary or desirable that a maximum period of time be specified between air carrier checks of the competence of crew members and dispatchers.

PILOT CHECKS

The ATA proposes the amendment of § 40.132 (b) (Proficiency check) by deleting that portion of the requirement which would assure a rotation of the aircraft types used in proficiency checks for the purpose of checking the pilot's competence with respect to the type of aircraft in which he is required to serve as pilot in command. The ATA states that, because the line check has been newly introduced into the Civil Air Regulations in proposed Part 40 and since § 40.132 (c) assures that either a line check or a proficiency check must be given each 12 months in each such aircraft type, the pilot's competence with respect to particular aircraft types will be subject to adequate flight check.

In view of the foregoing the Board desires to hear oral argument as to whether it is necessary to require that semiannual proficiency checks be given in such a manner that a rotation of aircraft types to be used by the pilot is assured.

PILOT ROUTE AND AIRPORT QUALIFICATION REQUIREMENTS

The ATA proposes the amendment of § 40.135 (c) by allowing a simulated approach in a synthetic trainer to be used as an alternative means of satisfying the requirement that each pilot shall fly through the approach procedures for which the lowest minimums are authorized for each regular, provisional, and refueling airport.

Proposed § 40.135 (d) requires that a pilot in command who is to fly below the level of terrain within a horizontal distance of twenty-five miles on either side of the center line of the route to be flown shall, prior to serving in such operations, make one round trip as pilot or additional member of the flight crew under day VFR conditions. The ATA, however, proposes that the "one round trip" be amended to read "two one-way trips".

The above requirement also specifies that, when night operation is authorized below the level of terrain within twenty-five miles of the center line of the route to be flown, one way of such round trip

shall be made under night VFR conditions before a pilot shall serve as pilot in command in such operations. The ATA, however, proposes that the requirement to conduct a qualifying flight at night should be deleted as being unnecessary.

Proposed § 40.136 (Maintenance of pilot route qualifications) requires that for the purpose of maintaining pilot route and airport qualifications each pilot being utilized as pilot in command shall within the preceding twelve months have made at least one trip as pilot or other flight crew member between terminals into which he is scheduled to fly and one actual entry or one simulated entry utilizing a synthetic trainer into each regular, provisional, and refueling airport into which he is scheduled to fly. The ATA proposes deleting that portion of this section which requires an actual or simulated entry into an airport because of the alleged burden imposed upon the air carrier to show compliance. Furthermore, the ATA maintains that insufficient contribution to safety would be made by such a requirement.

In view of the foregoing the Board desires to hear oral argument as to:

1. Whether a simulated approach in a synthetic trainer may be substituted for an actual approach in an aircraft for the purpose of qualifying a pilot initially to operate into a particular regular, provisional, or refueling airport.

2. Whether it is necessary that a pilot be required to make a qualifying flight under day VFR operations in both directions on a route on which he is to serve as pilot in command and on which he is to fly below the level of terrain within a horizontal distance of twenty-five miles on either side of the center line of the route to be flown.

3. Whether it is necessary that a pilot be required to make a qualifying flight at night prior to serving during the hours of darkness as pilot in command on a route on which he will be required to fly below the level of terrain within twenty-five miles on either side of the center line of such route.

4. Whether it is necessary that a pilot be required, in order to maintain route qualification, to make either one actual entry or one simulated entry, utilizing a synthetic trainer into each regular, provisional, or refueling airport into which he is scheduled to fly.

FLIGHT ENGINEER QUALIFICATION FOR DUTY

With respect to flight engineer qualification for duty the Board proposed to continue in effect a requirement identical to that contained in current Part 61. This proposed rule, which is contained in § 40.138 of proposed Part 40, requires a flight engineer to have had, within the preceding twelve months, either a flight check or fifty hours of experience as a flight engineer on the type aircraft on which he is to serve.

The FEIA proposes that the period of time specified in this requirement be reduced from twelve months to six months. Prior to the receipt of this proposal, information had not been brought to the attention of the Board to the effect that the twelve-month period was inadequate.

In view of the foregoing the Board desires to hear oral argument as to whether it is necessary to require that the recent experience or flight check requirements of § 40.138 be made applicable semi-annually.

RESPONSIBILITY OF DISPATCHER

The Board proposed in § 40.151 (b) that the responsibility of the dispatcher be specified as follows:

The aircraft dispatcher shall be responsible:

(1) For monitoring the progress of each flight and the issuance of instructions and information necessary for the continued safety of the flight.

(2) For the cancellation, delay, or redispatch of a flight, if, in his opinion or in the opinion of the pilot in command, the flight cannot operate or continue to operate safely.

The ATA has expressed the apprehension that, unless dispatchers are required by regulation to exercise their authority only in accordance with policies of the air carrier, they may assume the regulations give them authority beyond the control of air carrier management.

In view of the foregoing the Board desires to hold oral argument as to whether it is desirable that the Civil Air Regulations specify that the responsibilities of aircraft dispatchers for the cancellation, delay, or redispatch of a flight shall be exercised only in accordance with the policies of the air carrier.

CONTINUATION OF FLIGHT WITH REQUIRED EQUIPMENT INOPERATIVE

In the event any item of equipment required for a particular operation becomes unserviceable en route, § 40.182 (b) would require the pilot in command to comply with the procedures specified in the manual for such occurrence.

The ATA proposes the deletion of the word "en route" in order to enable flights to be rescheduled after a turn around without repairs or replacement having been accomplished. This proposal is made because of the ATA view that it is "neither economical or feasible to provide parts, specialist type mechanic personnel, and service facilities to permit such repairs" at all such turn around points. As illustrative of the operation which is contemplated, the ATA states that the rule should permit flights to terminate at an east coast airport and originate a "westbound flight which would terminate at San Francisco or some other station having the required parts and qualified people, at which time repairs would be effected."

In view of the foregoing the Board desires to hear oral argument as to whether authority to continue the operation of an aircraft with the required equipment inoperative should extend beyond the scheduled terminus of a particular flight.

FLIGHT ALTITUDE RULES

The Board proposed to prohibit generally the operation of aircraft in passenger operations at altitudes less than 1,000 ft. above the surface or above any mountain, hill, or other obstruction to flight. It was also contemplated, however, that this requirement (§ 40.193) would authorize the Administrator to establish other altitudes for any route or portion thereof where he finds, after considering the character of the terrain being traversed, the quantity and quality of meteorological services, the navigational facilities available, and other flight conditions, that the safe conduct of flight permits or requires such other altitudes.

The ATA recommends that this requirement be amended to permit day VFR operations at 500 ft. above the surface rather than 1,000 ft. The ATA bases this recommendation on the fact that the operating experience of the air carriers does not indicate the need for a 1,000-ft. altitude and that VFR operations at altitudes between 500 ft. and 1,000 ft. above the surface are necessary for certain air carrier operations.

In proposed § 40.193 the Board had included certain restrictions with respect to over-the-top operations at altitudes lower than those prescribed for IFR operations. These provisions were identical to the provisions of Part 61 in existence at the time proposed Part 40 was published. Since that time, however, Part 61 was amended to include certain alternative limitations to be applied to such operations (CAR Amendment 61–8, effective September 10, 1952).

The ATA recommendation is that neither the provisions included in proposed Part 40 nor the provisions of CAR Amendment 61–8 be included in Part 40 but that, in lieu of such provisions, over-the-top operations be treated as VFR operations so far as the flight altitude rules are concerned.

In view of the foregoing the Board desires to hear oral argument as to whether:

1. It is desirable that the rules permit flight altitudes with 500-ft. clearance above obstacles without requiring special authorization by the Administrator in each case in which flight is contemplated below 1,000 feet.

2. Special flight altitude limitations should apply to the operations of scheduled air carrier aircraft when operated over-the-top at flight altitudes lower than those prescribed for IFR operations and, if so, whether the provisions of CAR Amendment 61–8, effective September 10, 1952, constitute reasonable limitations.

INCLUSION OF TOTAL TIME SINCE OVERHAUL IN THE MAINTENANCE LOG

Proposed Part 40 contains a requirement for a maintenance log to be carried in aircraft in a place readily accessible to the flight crew (§ 40.207). No provision is made in this section, however, for keeping a record in the maintenance log of the total time since last overhaul for engines and airplanes. The ALPA proposes that such a requirement be included in order that pilots may be advised as to the length of service of aircraft and engines since the last overhaul.

In view of the foregoing the Board desires to hear oral argument as to whether it is desirable that the Civil Air Regulations require indication in the maintenance log of time since last overhaul for aircraft and engines.

Although the comment received in response to the July 25, 1952, notice requested opportunity for oral argument on matters other than those proposed herein, such matters are either to be handled as separate rule-making proceedings or are not considered to involve issues concerning which the Board desires to hear oral argument.

The oral argument presented pursuant to this notice may be an explanation of, in addition to, or in lieu of written comment submitted in response to the previous notice dated July 25, 1952.

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interpret or apply secs. 601–610, 52 Stat. 1007–1012; 49 U. S. C. 551–560; 62 Stat. 1216)

Dated: December 2, 1952, at Washington, D. C.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN, *Secretary.*

[F. R. Doc. 52–12928; Filed, Dec. 5, 1952; 8:49 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 3]

[Docket No. 10353]

TELEVISION BROADCAST STATIONS

TRANSMITTERS AND ASSOCIATED EQUIPMENT; OPERATION

In the matter of amendment of § 3.687 (i) (1) rules governing Television Broadcast Stations; Docket No. 10353.

1. Notice is hereby given of proposed rule making in the above-entitled matter.

2. Section 3.687 (i) (1) of the Commission's rules governing Television Broadcast Stations presently provides as follows: "Spurious emissions, including radio frequency harmonics, shall be maintained at as low a level as the state of the art permits."

3. A study of the needs and requirements of the television broadcast service and other radio services and experience with various cases of interference, including interference to safety services, due to spurious emissions from television transmitters, indicates that it is necessary at this time to specify a minimum value of suppression of such emissions. Correspondence and exchange of information with various manufacturers of television transmitters indicates that a suppression of 60 db at the transmitter output terminals can presently be obtained by the inclusion of harmonic filters.

4. Further study will be given this problem. Such further study may indicate that more stringent requirements of spurious emission attenuation than 60 db are required. However, to avoid the difficulty of having large numbers of transmitters constructed and installed without the inclusion of harmonic filters or other means of spurious emission reduction, it is proposed as an emergency measure, to employ the figure of 60 db for all power levels, pending a determination as to what additional amount of attenuation can be achieved in practice.

5. Inasmuch as it is desirable to specify an attenuation figure for all spurious emissions, it is proposed to employ the figure of 60 db for all frequencies at least 3 mc removed from the edge of the television channel. Since considerable study and research would be required to make a specification for spurious emission attenuation nearer to the edge of the channel, no figure is now being proposed for that frequency region.

6. In view of the foregoing, it is proposed to amend § 3.687 (i) (1) of the rules governing Television Broadcast Stations by deleting the present provision and substituting the following:

§ 3.687 *Transmitters and associated equipment* * * *

(i) *Operation.* (1) Spurious emissions, including radio frequency harmonics, shall be maintained at as low a level as the state of the art permits. As measured at the output terminals of the transmitter (including harmonic filter, if required) all emissions removed in frequency in excess of 3 mc above or below the respective channel edge shall be attenuated no less than 60 db below the visual transmitter power. In the event of interference caused to any service greater attenuation will be required.

7. Authority for the issuance of the proposed amendment is vested in the Commission under sections 303 (e), (f), (r) and 4 (i) of the Communications Act of 1934, as amended.

8. Any interested person who is of the opinion that the proposed amendment should not be adopted, or should not be adopted in the form set forth herein, may file with the Commission on or before January 12, 1953, written data, views, or arguments concerning said proposal. Persons favoring the amendment as proposed may file data, views, or arguments supporting said amendment by the same date. Replies to such data, views, or arguments may be filed on or before January 26, 1953. The Commission will consider all such comments before taking final action in the matter, and if comments are submitted which warrant the holding of oral argument, notice of the time and place of such argument will be given.

9. Interested persons who desire to submit written data, views or arguments as provided above shall, in accordance with § 1.764 of the Commission's rules and regulations, furnish the Commission with an original and 14 copies thereof.

Adopted: November 26, 1952.

Released: November 28, 1952.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] T. J. SLOWIE, *Secretary.*

[F. R. Doc. 52–12924; Filed, Dec. 5, 1952; 8:48 a. m.]

NOTICES

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 10284, 10285, 10352]

LUFKIN AMUSEMENT CO. ET AL.

MEMORANDUM OPINION AND ORDERS DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Lufkin Amusement Company, Beaumont, Texas, Docket No. 10284, File No. BPCT–545; Port Arthur College, Port Arthur, Texas, Docket No. 10285, File No. BPCT–839; Joe B. Carrigan, Trustee, and James K. Smith, a partnership, d/b as Smith Radio Company, Port Arthur, Texas, Docket No. 10352, File No. BPCT–1013.

1. The Commission has before it for consideration the following pleadings: (a) "Motion for Show Cause Order" filed August 14, 1952, by Smith Radio Company; (b) "Reply to Motion for Show Cause Order" filed August 21, 1952, by Port Arthur College; (c) "First Amended Original Rule for Show Cause Order" filed August 27, 1952, by Smith Radio Company; (d) a supplement to motion for show cause order filed August 29, 1952, by Smith Radio Company; (e) "Reply to Supplements to Motion for Show Cause Order" filed September 18, 1952, by Port Arthur College; (f) "Petition to Dismiss Application" of Lufkin Amusement Company filed September 23, 1952, by Smith Radio Company; (g) and "Reply to Petition to Dismiss Application" filed October 22, 1952, by Lufkin Amusement Company.

2. In its Sixth Report and Order (FCC 52–294) released April 14, 1952, the Commission assigned to Beaumont-Port Arthur, Texas, Channels 4, 6, 31 and 37, with Channel 37 reserved for use by a non-commercial educational station. On July 11, 1952, the Commission designated for hearing the mutually exclusive applications of Lufkin Amusement Company and Port Arthur College for Channel 4. On July 16, 1952, Smith Radio Company filed its application (BPCT–1013) for Channel 4. On August 6, 1952, the Commission advised Smith Radio Company that its application is mutually exclusive with the applications of Lufkin Amusement Company and Port Arthur College and, therefore, that the necessity of a consolidated hearing is indicated. The application of Smith Radio Company has not, as yet, been designated for such consolidated hearing.

3. In its motion for show cause order filed August 14, 1952, petitioner requests that "Port Arthur College be cited to ap-

pear and answer herein before a consolidated hearing is had and to show cause why it * * * should not be removed from Channel 4, a commercial radio channel as designated by the Federal Communications Commission." In support of its request, petitioner asserts that Port Arthur College has erroneously filed for Channel 4 and should be removed to the channel which has been reserved for non-commercial educational use in Beaumont-Port Arthur, Texas, since "it is the intention and announced purpose of designating commercial channels and educational channels that applicants falling within the commercial category should be excluded from educational channels and educational institutions be excluded from commercial channels"; that Port Arthur College, by virtue of the terms of its corporate charter, is without legal power to construct and operate a commercial television broadcast station; and that the Commission is without power to grant a construction permit or a license to Port Arthur College for the purpose of constructing and operating a commercial television broadcast station.

4. Port Arthur College requests in its reply to the foregoing motion for show cause order that the motion be denied. Port Arthur College urges (1) that neither the statutory provisions nor the Commission's rules authorize a competing applicant to request by petition a proceeding requiring an applicant for a broadcast construction permit to show cause why it should not be removed as an applicant for the broadcast facilities it has requested; (2) that the articles of incorporation of Port Arthur College provide for the construction and operation of AM, FM, and television broadcasting stations; and (3) that nothing in the Communications Act of 1934, as amended, or in the Commission's rules, precludes an educational institution from constructing and operating a commercial television broadcast station.

5. The contention advanced by petitioner that educational institutions are precluded from applying for and constructing and operating a commercial television broadcast station is without merit. In our Sixth Report and Order released April 14, 1952, we denied the proposals of the University of Missouri and the Bob Jones University for partial commercial operation by educational institutions on non-commercial educational channels. In paragraph 57 thereof, we said "* * *. It is recognized that the type of operation (partial commercial operation) proposed by these Universities may be accomplished by the licensing of educational institutions in the commercial television broadcast service." Moreover, in a memorandum opinion and order (FCC 52–1381) issued in the television rule making proceedings in Docket 8736 et al., released October 31, 1952, we stated "* * *. While it has been convenient to refer to unreserved channels as 'commercial', they are not in fact 'commercial' channels. The unreserved channels may be used commercially, or noncommercially, as the licensee sees fit. Indeed, we have recently granted an authorization for Michigan State University to employ an unreserved channel which it indicated will be operated on a noncommercial basis. The reservation of channels was established in order to afford educational institutions the time necessary to prepare for the operation of a television station. Since such channels were set aside, the condition was imposed that they may be employed only on a noncommercial basis * * *."

6. In its supplement to motion for show cause order petitioner asserts, in substance, that in view of the findings and conclusions of the Commission that the Port Arthur College application is entitled to be heard in a consolidated proceeding and in view of the matters raised by petitioner relative to the lack of legal power of Port Arthur College to engage in commercial television broadcasting, "a hearing is deemed required by law to determine this most important consideration before and preliminary and ancillary to the general hearing on the merits of the case" and that such a hearing should be held at a near date. Petitioner urges that section 309 (b) of the Communications Act of 1934, as amended by Communications Act Amendments, 1952, requires such a hearing. Port Arthur College replied to petitioner's supplements to motion for show cause order asserting that section 309 (b) of the Communications Act of 1934, as amended, does not provide for "ancillary hearings" on show cause or other motions prior to the full hearing on the merits of conflicting broadcast applications required by section 309 and the decision in Ashbacker Radio Corporation v. Federal Communications Commission, 326 U. S. 327. Further, Port Arthur College urges that petitioner's contentions that Port Arthur College is without legal power to engage in commercial television broadcasting are unfounded.

7. We are of the opinion that section 309 (b) of the Communications Act of 1934, as amended, does not require an ancillary proceeding preliminary to a hearing on the merits of an application. In effect, section 309 (b) provides that when a finding is made that an application cannot be granted without a hearing, the Commission shall notify the applicant and other known parties in interest of the grounds and reasons for the inability to make such finding as well as all objections to the application. The applicant is given an opportunity to reply and after the Commission considers any such reply, it shall formally designate the application for hearing, if it is unable to find that such application can be granted without a hearing. In such designation for hearing, the Commission shall state the grounds and reasons therefor and specify with particularity the matters and things in issue. Section 309 (b) further provides that such a hearing shall be a full hearing in which both the burden of proceeding with the introduction of evidence upon any issue specified by the Commission, as well as the burden of proof upon all such issues, shall be upon the applicant.

8. As a party in interest, petitioner is entitled to bring to the Commission's attention matters, such as the legal qualifications of a competitor, which it believes should be placed in issue in the hearing which is otherwise required by the mutually exclusive competitive situation of the two applicants. And the opposing party is entitled to an opportunity to reply and inform the Commission why it believes this matter is not one which should be included in the hearing. The assertions made by petitioner with respect to the legal qualifications of Port Arthur College are matters which may, in the discretion of the Commission, be placed in issue when the applications are designated for hearing. It is to be noted, that in designating the mutually exclusive applications of Lufkin Amusement Company and Port Arthur College for hearing on July 11, 1952, we expressly included an issue as to the legal, technical, financial and other qualifications of Lufkin and Port Arthur College to construct and operate the proposed stations. The assertions advanced by petitioner with respect to the legal power of Port Arthur College to engage in commercial television broadcasting are matters which can be appropriately developed under the issue, as presently framed.

9. In its "Petition to Dismiss Application" of Lufkin Amusement Company, Smith Radio Company asserts that the application does not set forth complete answers in certain respects and, therefore, that under the provisions of § 1.371, footnote 10, subsection (j) the application is incomplete and must be dismissed. Lufkin Amusement Company, in its reply to Smith Radio Company's petition to dismiss its application, requests that said petition be denied and states that on October 22, 1952, the date of filing its reply, it filed with the Commission an amendment to its application which contained the information claimed by Smith Radio Company to have been omitted. On November 7, 1952, the Motions Commissioner granted Lufkin's petition to amend its application. Therefore, the questions raised by Smith Radio Company in its petition to dismiss application of Lufkin Amusement Company have become moot and do not require further consideration.

10. In view of the foregoing, *It is ordered,* That the requests contained in the above respective pleadings filed by Smith Radio Company are dismissed.

11. *It is further ordered,* That pursuant to section 309 (b) of the Communications Act of 1934, as amended, the application of Joe B. Carrigan, Trustee, and James K. Smith, a partnership, d/b as Smith Radio Company be designated for hearing in the same consolidated proceeding with the above-entitled applications to commence at 10:00 a. m. on December 15, 1952, at Washington, D. C. upon the following issues:

1. To determine the legal, technical, financial and other qualifications of the applicants to construct and operate the proposed stations.

2. To determine the type and character of the program services proposed to be rendered and whether they would meet the needs of the communities and areas within the Grade A and Grade B field intensity contours.

3. To determine whether the construction and operation of the proposed stations would be in compliance with the Commission's rules and regulations governing television broadcast stations.

4. To determine whether the installation and operation of any of the stations proposed in the above-entitled applications would constitute a hazard to air navigation.

5. To determine in the light of section 307 (b) of the Communications Act of 1934, as amended, which of these applicants would provide the more fair, efficient, and equitable distribution of television service.

6. To determine on a comparative basis which, if any, of the above-entitled applications should be granted.

Adopted: November 26, 1952.

Released: December 1, 1952.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 52–12927; Filed, Dec. 5, 1952; 8:48 a. m.]

[Docket No. 10349]

HAROLD L. SUDBURY (KLCN)

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re application of Harold L. Sudbury (KLCN) Blytheville, Arkansas, Docket No. 10349, File No. BMP–5961; for modification of construction permit.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 20th day of November 1952;

The Commission having under consideration petitions for reconsideration filed by Mississippi Broadcasting Company, Inc., licensee of Station WCOC, Meridian, Mississippi, on October 29, 1952, and supplemented November 14, 1952, and Ft. Massac Broadcasting Company, licensee of Station WMOK, Metropolis, Illinois, on November 7, 1952, each requesting the Commission to reconsider its action of October 8, 1952, in granting the above-entitled application of Harold L. Sudbury for modification of construction permit to change the operating power of Station KLCN from 1 kw to 5 kw, and an opposition to the original WCOC petition filed by Station KLCN on November 13, 1952;

It appearing, that the engineering affidavits, together with supporting field intensity measurements attached to the WCOC and WMOK petitions, indicate that the proposed operation of KLCN will cause objectionable interference to WCOC and WMOK and that the Commission's further study of the matter, including an analysis of the field intensity measurements submitted by the petitioners, also indicates that the proposed KLCN operation will cause objectionable interference to WCOC and WMOK:

It is ordered, That pursuant to section 309 (c) of the Communications Act of 1934, as amended, the Commission's action of October 8, 1952, granting the application of Harold L. Sudbury to change the operating power of Station KLCN from 1 kw to 5 kw, is rescinded, and that said application is designated for hearing at a time and place to be designated in a subsequent order upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station, and the availability of other primary service to such areas and populations.

2. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

3. To determine whether the operation of the proposed station would involve objectionable interference with Stations WCOC, Meridian, Mississippi, and WMOK, Metropolis, Illinois, and any other existing broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations:

It is further ordered, That Walter H. Firmin, Noah J. Korte, William R. Tiner, Don M. Park, Eddie Clark, J. B. Humma, S. F. Chase, Robert V. Gillespie, Bernard Lurie, and Elva M. Firmin, a Limited Partnership, d/b as Fort Massac Broadcasting Company, licensee of Radio Station WMOK, Metropolis, Illinois, is made a party to the preceeding:

It is further ordered, That Mississippi Broadcasting Company, Inc., licensee of Station WCOC, Meridian, Mississippi, is made a party to the proceeding:

It is further ordered, That the above-described petitions of Mississippi Broadcasting Company, Inc., and Fort Massac Broadcasting Company are granted.

Released: November 28, 1952.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 52–12925; Filed, Dec. 5, 1952; 8:48 a. m.]

[Docket No. 10351]

INDIANA BELL TELEPHONE CO.

ORDER DESIGNATING APPLICATION FOR HEARING ON STATED ISSUES

In the matter of the application of Indiana Bell Telephone Company, Docket No. 10351, File No. P–C–3020; for a certificate under section 221 (a) of the Communications Act of 1934, as amended, to acquire the capital stock of Brownsburg Telephone Corporation, Central Indiana Telephone Company, Converse Consolidated Telephone Company, Daleville and Middletown Telephone Company, Sims Telephone Company, Inc., The Citizens' Telephone Company of Zionsville, Indiana, Union Telephone Company, and Noblesville Telephone Company, Inc.

At a session of the Federal Communications Commission, held at its office in Washington, D. C., on the 26th day of November 1952;

The Commission, having under consideration an application filed by Indiana Bell Telephone Company for a certificate under section 221 (a) of the Communications Act of 1934, as amended, that the proposed acquisition by Indiana Bell Telephone Company of the capital stock of the Brownsburg Telephone Corporation, Central Indiana Telephone Company, Converse Consolidated Telephone Company, Daleville and Middletown Telephone Company, Sims Telephone Company, Inc., The Citizens' Telephone Company of Zionsville, Indiana, Union Telephone Company, and Noblesville Telephone Company, Inc., common carriers furnishing telephone service in the State of Indiana, will be of advantage to persons to whom service is to be rendered and in the public interest;

It is ordered, That pursuant to the provisions of section 221 (a) of the Communications Act of 1934, as amended, the above application is assigned for public hearing for the purpose of determining whether the proposed acquisition will be of advantage to persons to whom service is to be rendered and in the public interest;

It is further ordered, That the hearing upon the said application be held at the offices of the Commission in Washington, D. C., beginning at 10:00 a. m. on the 16th day of December 1952, and that a copy of this order shall be served upon the Governor of Indiana; the Public Service Commission of Indiana; Indiana Bell Telephone Company; The Indiana National Bank of Indianapolis, Administrator of the John T. Detchon Estate; Fletcher Trust Company; Brownsburg Telephone Corporation; Central Indiana Telephone Company; Converse Consolidated Telephone Company; Daleville and Middletown Telephone Company; Sims Telephone Company, Inc.; The Citizens' Telephone Company of Zionsville, Indiana; Union Telephone Company; Noblesville Telephone Company, Inc.; and the Postmasters of Brownsburg, Sheridan, Terhune, Converse, Daleville, Middletown, Sims, Zionsville, Amboy, Andrews, Bakers Corner, Carmel, Center, Greentown, Ekin, Greenfield, Kirklin, Lagro, Upland, Matthews, Mooresville, Morgantown, Nashville, Summitville and Noblesville, Indiana:

It is further ordered, That within five days after the receipt from the Commission of a copy of this order, the applicant herein shall cause a copy hereof to be published in a newspaper or newspapers having general circulation in the cities referred to above, and in Hendricks, Hamilton, Clinton, Miami, Boone, Delaware, Henry, Huntington, Howard, Tipton, Hancock, Wabash, Grant, Morgan, Brown and Madison Counties, Indiana.

Released: November 28, 1952.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 52–12926; Filed, Dec. 5, 1952; 8:48 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 5766]

AIR AMERICA, INC.; ENFORCEMENT PROCEEDING

NOTICE OF RE-ASSIGNMENT OF DATE OF HEARING

In the matter of Air America, Inc., Enforcement Proceeding.

Notice is hereby given that pursuant to the Civil Aeronautics Act of 1938, as amended, that the hearing in the above-entitled proceeding which was assigned to be held on December 17, 1952, is now assigned to be held on January 6, 1953, at 10:00 a. m., e. s. t., in Room 4823, Commerce Building, 14th Street and Constitution Avenue NW., Washington, D. C., before Examiner James S. Keith.

Dated at Washington, D. C., December 3, 1952.

By the Civil Aeronautics Board.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 52–12941; Filed, Dec. 5, 1952; 8:51 a. m.]

[Docket No. 5067 et al.]

AIR TRANSPORT ASSOCIATES, INC., ET AL.; PACIFIC NORTHWEST-ALASKA TARIFF INVESTIGATION

NOTICE OF REOPENED HEARING

In the matter of certain fares, rates, charges, routings, rules, and regulations between the vicinities of Portland. Oreg., and Seattle, Wash., on the one hand, and Anchorage and Fairbanks, Alaska, on the other, of Air Transport Associates, Inc., Alaska Airlines, Inc., Northwest Airlines, Inc., Pacific Northern Airlines, Inc., Pan American World Airways, Inc., United Air Lines, Inc., Western Air Lines, Inc., General Airways, Inc., Agent R. C. Lounsbury's (C. A. B. No. 124), All American Airways, Inc., American Air Export and Import Company, Aviation Corporation of Seattle, Argonaut Airways Corporation, Air Cargo Express, Inc., Blatz Airlines, Inc., California Air Charter, Inc., Coastal Cargo Co., Inc., Meteor Air Transport, Inc., Monarch Air Service, Peninsular Air Transport, S. S. W., Inc., Unit Export Company, Inc., World Airways, Inc., Modern Air Transport, Inc., Aero Finance Corporation, Air Services, Inc., Arctic-Pacific, Inc., Arnold Air Service, Inc., Federated Airlines, Inc., Freight Air, Inc., Great Lakes Airlines, Inc., Lavery Airways, Inc., Miami Airline, Inc., New England Air Express, Inc., Overseas National Airways, Pearson Alaska, Inc., Royal Air Service, Sourdough Air Transport, Southern Air Transport, Inc., Standard Air Cargo, Trans-Alaskan Airlines, Inc., Trans-Ocean Air Lines, known as the Pacific Northwest-Alaska Tariff Investigation.

Notice is hereby given that pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 205, 403, 404, 411, and 1002 thereof, the hearing in the above-entitled proceeding will be reopened and resumed on December 16, 1952, at 10:00 a. m., e. s. t., in Room 2045, Temporary Building No. 4, 17th Street, between Constitution and Independence Avenues NW., Washington 25, D. C. before Examiner Paul N. Pfeiffer.

The reopened hearing is limited to consideration of the following question:

What effect, if any, has the ocean-van, ocean-tow barge service between Seattle, Wash., Anchorage and Fairbanks, Alaska, upon the issuance of the reasonable level of United States-Alaska air cargo rates and air passenger fares and the common freight rating of Portland, Oreg. and Seattle, Wash.?

Notice is further given that any persons other than parties of record desiring to be heard during the reopened hearing shall file with the Board on or before December 16, 1952 a statement setting forth the issues of fact or law raised by this reopened hearing which he desires to controvert.

Dated at Washington, D. C., December 3, 1952.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 52–12942; Filed, Dec. 5, 1952; 8:51 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G–1175]

ATLANTIC SEABOARD CORP.

NOTICE OF INTERIM ORDER GRANTING REQUEST FOR MODIFICATION OF ORDER ISSUING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

DECEMBER 2, 1952.

Notice is herby given that on December 1, 1952, the Federal Power Commission issued its interim order entered November 25, 1952, granting request for modification of order (14 F. R. 4832) issuing certificate of public convenience and necessity in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52–12915; Filed, Dec. 5, 1952; 8:47 a. m.]

[Docket No. G–1447]

UNITED GAS PIPE LINE CO.

NOTICE OF ORDER ALLOWING RATE SCHEDULE TO TAKE EFFECT AND ISSUING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

DECEMBER 2, 1952.

Notice is hereby given that on December 1, 1952, the Federal Power Commission issued its order entered November 28, 1952, allowing rate schedule to take effect as of the date of issuance of this order, amending order of February 26, 1951 (16 F. R. 2131), and issuing certificate of public convenience and necessity in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52–12916; Filed, Dec. 5, 1952; 8:47 a. m.]

[Docket No. G–1677]

COLORADO INTERSTATE GAS CO.

NOTICE OF ORDER ON REHEARING

DECEMBER 2, 1952.

Notice is hereby given that on November 24, 1952, the Federal Power Commission issued its order entered November 20, 1952, on rehearing and amending paragraph B of order issued February 21, 1952 (17 F. R. 1840), in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52–12917; Filed, Dec. 5, 1952; 8:48 a. m.]

[Docket Nos. G–1732, G–2028]

MANUFACTURERS LIGHT AND HEAT CO., AND CUMBERLAND AND ALLEGHENY GAS CO.

NOTICE OF FINDINGS AND ORDER

DECEMBER 2, 1952.

In the matters of the Manufacturers Light and Heat Company, Docket No. G–1732; the Manufacturers Light and Heat Company, and Cumberland and Allegheny Gas Company, Docket No. G–2028.

Notice is hereby given that on November 28, 1952, the Federal Power Commission issued its order entered November 25, 1952, in the above-entitled matters, issuing certificates of public convenience and necessity to the Manufacturers Light and Heat Company and Cumberland and Allegheny Gas Company, Docket No. G–2028; authorizing and approving abandonment of facility in said docket; and modifying certificate of public convenience and necessity (16 F. R. 10391) issued to the Manufacturers Light and Heat Company, Docket No. G–1732.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52–12918; Filed, Dec. 5, 1952; 8:48 a. m.]

[Docket No. G–2088]

LONE STAR GAS CO.

NOTICE OF APPLICATION

DECEMBER 2, 1952.

Take notice that on November 14, 1952, Lone Star Gas Company (Applicant), a Texas corporation having its principal place of business at Dallas, Texas, filed an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing it to purchase, acquire, and operate a gas transmission pipeline owned by Clifford D. Mooers, sole owner of the Grandfield Gas Company.

Said pipeline consists of approximately 6.2 miles of pipe varying in diameter from four to six inches, and extends from a point of connection in Wichita County, Texas, with Applicant's existing system to a point at or near the City of Grandfield, Tillman County,

Oklahoma. Applicant has purchased the gas distribution plant in the City of Grandfield hitherto owned and operated by said Clifford D. Mooers, and would provide service to said city through the transmission line hereinbefore described. Cost of purchase of said line and appurtenant facilities is $20,600. Gas supply for service to Grandfield would continue to be derived from Applicant's existing system.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the Commission's rules of practice and procedure, on or before the 22d day of December 1952. The application is on file with the Commission and open to public inspection.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52–12914; Filed, Dec. 5, 1952; 8:47 a. m.]

[Docket No. G–2096]

ALABAMA-TENNESSEE NATURAL GAS CO.

ORDER PERMITTING CHANGE IN PRESENTLY EFFECTIVE RATE SCHEDULE DURING SUSPENSION PERIOD AND SUSPENDING PROPOSED NEW TARIFF SHEETS

NOVEMBER 28, 1952.

The Commission, by order issued September 16, 1952, suspended and deferred the use of Alabama-Tennessee Natural Gas Company's (Alabama-Tennessee) proposed Third Revised Sheet No. 4 and First Revised Sheets Nos. 5, 6, and 7 to its FPC Gas Tariff, Original Volume No. 1, until February 18, 1953, and until such further time thereafter as said proposed sheets might be made effective in the manner prescribed by the Natural Gas Act, and ordered that a public hearing concerning the lawfulness of Alabama-Tennessee's proposed tariff sheets be held upon a date to be fixed by further order of the Commission.

On October 31, 1952, Alabama-Tennessee filed Original Sheets Nos. 7–A and 7–B to its FPC Gas Tariff, Original Volume No. 1, which was continued in effect by the suspension referred to, proposing to change its single general service Rate Schedule G–1 by instituting a penalty of $10.00 per Mcf of gas taken without prior approval in excess of 1 percent over the contracted maximum daily delivery obligation.

The proposed penalty provision is alleged to be modeled after the provision of Alabama-Tennessee's supplier, Tennessee Gas Transmission Company, and Alabama-Tennessee states that the proposed provision is necessary because the sum of its maximum delivery obligations under all of its gas sales contracts approximates the amount available to it under its supply contract. Therefore, it is further alleged, that the penalty provision is a necessary policing measure.

The penalty provision would apply only to wholesale customers receiving about 18,165 Mcf, or 57.5 percent of the total available supply of 31,565 Mcf, whereas the remainder of 17,250 Mcf is sold to customers who, it appears, would not be subject to the penalty. The penalty provision may, therefore, result in discrimination against the wholesale customers. Furthermore, discrimination between customers to whom the penalty provision would apply may result from the fact that no basis is stated upon which Alabama-Tennessee's approval for over-runs is to be given nor how a buyer may qualify for such approval.

Six customer-companies have protested the proposed penalty provision, asserting that the proposed penalty provision is excessive, that their present maximum entitlements are insufficient to meet their estimated requirements, and that for small customers with little load diversity the proposed penalty could be financially disastrous.

The proposed-penalty provision has not been shown to be justified and may be unjust, unreasonable, unduly discriminatory or preferential or otherwise unlawful.

The Commission finds:

(1) Special permission should be granted for the filing of said proposed Original Sheets Nos. 7–A and 7–B to Alabama-Tennessee's FPC Gas Tariff, Original Volume No. 1, in accordance with § 154.66 (c) of the Commission's rules.

(2) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing, pursuant to the authority contained in section 4 of such act, concerning the lawfulness of Alabama-Tennessee's FPC Gas Tariff, Original Volume No. 1, as proposed to be amended by said Original Sheets Nos. 7–A and 7–B, and that said sheets be suspended as hereinafter provided and the use thereof be deferred pending hearing and decision thereon.

The Commission orders:

(A) Alabama-Tennessee be and it is hereby permitted to file Original Sheets Nos. 7–A and 7–B to Alabama-Tennessee's FPC Gas Tariff, Original Volume No. 1.

(B) Pursuant to the authority contained in section 4 of the Natural Gas Act, a public hearing be held at a time and place to be fixed by further order of the Commission concerning the lawfulness of Alabama-Tennessee's FPC Gas Tariff, Original Volume No. 1, as proposed to be amended by the aforesaid Original Sheets Nos. 7–A and 7–B.

(C) Pending such hearing and decision thereon, Alabama-Tennessee's FPC Gas Tariff, Original Volume No. 1, as proposed to be amended by said Original Sheets Nos. 7–A and 7–B, be and the same are hereby suspended and the use thereof deferred until May 1, 1953, and until such further time thereafter as said proposed sheets may be made effective in the manner prescribed by the Natural Gas Act.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

(E) The effective date of this order shall be November 28, 1952.

Date of issuance: December 2, 1952.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52–12910; Filed, Dec. 5, 1952; 8:47 a. m.]

[Project No. 553]

CITY OF SEATTLE, WASHINGTON

NOTICE OF ORDER FURTHER AMENDING LICENSE (MAJOR)

DECEMBER 2, 1952.

Notice is hereby given that on September 5, 1952, the Federal Power Commission issued its order entered September 3, 1952, further amending license (Major) in the aboye-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52–12919; Filed, Dec. 5, 1952; 8:48 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 7–1472]

WASHINGTON WATER POWER CO.

NOTICE OF APPLICATION FOR UNLISTED TRADING PRIVILEGES, AND OF OPPORTUNITY FOR HEARING

In the matter of Application by the Los Angeles Stock Exchange for Unlisted Trading Privileges in Washington Water Power Company, Common Stock, No Par Value; File No. 7–1472.

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 2d day of December A. D. 1952.

The Los Angeles Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F–1 thereunder, has made application for unlisted trading privileges in the Common Stock, No Par Value, of Washington Water Power Company, a security registered and listed on the New York Stock Exchange, on the San Francisco Stock Exchange, and on the Spokane Stock Exchange.

Rule X-12F–1 provides that the applicant shall furnish a copy of the application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. The application is available for public inspection at the Commission's principal office in Washington, D. C.

Notice is hereby given that, upon request of any interested person received prior to December 30, 1952, the Commission will set this matter down for hearing. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington, D. C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the of-

ficial file of the Commission pertaining to this matter.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant Secretary.

[F. R. Doc. 52–12898; Filed, Dec. 5, 1952; 8:45 a. m.]

[File No. 7–1473]

CINCINNATI GAS & ELECTRIC CO.

NOTICE OF APPLICATION FOR UNLISTED TRADING PRIVILEGES, AND OF OPPORTUNITY FOR HEARING

In the matter of application by the Boston Stock Exchange, for unlisted trading privileges in the Cincinnati Gas & Electric Company, Common Stock, $17 Par Value; File No. 7–1473.

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 2d day of December A. D. 1952.

The Boston Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F–1 thereunder, has made application for unlisted trading privileges in the Common Stock, $17 Par Value, of the Cincinnati Gas & Electric Company, a security registered and listed on the Cincinnati Stock Exchange and on the New York Stock Exchange.

Rule X-12F–1 provides that the applicant shall furnish a copy of the application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. The application is available for public inspection at the Commission's principal office in Washington, D. C.

Notice is hereby given that, upon request of any interested person received prior to December 19, 1952, the Commission will set this matter down for hearing. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington, D. C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the official file of the Commission pertaining to this matter.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant Secretary.

[F. R. Doc. 52–12899; Filed, Dec. 5, 1952; 8:46 a. m.]

[File No. 7–1474]

WASHINGTON WATER POWER CO.

NOTICE OF APPLICATION FOR UNLISTED TRADING PRIVILEGES, AND OF OPPORTUNITY FOR HEARING

In the matter of application by the Boston Stock Exchange, for Unlisted Trading Privileges in Washington Water Power Company, Common Stock, No Par Value; File No. 7–1474.

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 2d day of December A. D. 1952.

The Boston Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F–1 thereunder, has made application for unlisted trading privileges in the Common Stock, No Par Value, of Washington Water Power Company, a security registered and listed on the New York Stock Exchange, on the San Francisco Stock Exchange, and on the Spokane Stock Exchange.

Rule X-12F–1 provides that the applicant shall furnish a copy of the application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. The application is available for public inspection at the Commission's principal office in Washington, D. C.

Notice is hereby given that, upon request of any interested person received prior to December 19, 1952, the Commission will set this matter down for hearing. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington, D. C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the official file of the Commission pertaining to this matter.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant Secretary.

[F. R. Doc. 52–12900; Filed, Dec. 5, 1952; 8:46 a. m.]

[File No. 59–99]

NORTHERN STATES POWER CO. (MINNESOTA) ET AL.

ORDER FURTHER EXTENDING DATE OF HEARING

DECEMBER 2, 1952.

In the matter of Northern States Power Company (Minnesota), and its subsidiary companies, respondents; File No. 59–99.

The respondents Northern States Power Company (Minnesota) and subsidiaries having requested in writing that the date of hearing, originally set for October 28, and extended to December 9, 1952, be further extended; and

It appearing to the Commission, upon the basis of the facts stated and representations made by the respondents, that a further extension of the date of hearing should be granted:

It is ordered, That the date of the hearing be and is hereby extended to January 28, 1953, at 10:00 o'clock a. m., e. s. t.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant Secretary.

[F. R. Doc. 52–12901; Filed, Dec. 5, 1952; 8:46 a. m.]

UNITED STATES TARIFF COMMISSION

[Investigation No. 19]

SCREEN-PRINTED SILK SCARVES

NOTICE OF PUBLIC HEARING

A public hearing has been ordered by the United States Tariff Commission to be held in the Hearing Room, Tariff Commission Building, Eighth and E Streets NW., Washington, D. C., beginning at 10 a. m. on February 24, 1953 in the investigation with respect to screen-printed silk scarves instituted on August 25, 1952, under section 7 of the Trade Agreements Extension Act of 1951 (17 F. R. 7870).

Request to appear: Parties desiring to appear, to produce evidence, and to be heard at the public hearing should file request in writing with the Secretary, United States Tariff Commission, Washington 25, D. C., in advance of the date of the hearing.

I certify that the above public hearing was ordered by the Tariff Commission on the 1st day of December 1952.

Issued: December 2, 1952.

[SEAL] DONN N. BENT,
Secretary.

[F. R. Doc. 52–12893; Filed, Dec. 5, 1952; 8:49 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 27595]

CRUSHED STONE FROM BLOOMINGTON, IND., TO EFFINGHAM, ILL.

APPLICATION FOR RELIEF

DECEMBER 3, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. G. Raasch, Agent, for the Illinois Central Railroad Company.

Commodities involved: Crushed stone, carloads.

From: Bloomington, Ind.

To: Effingham, Ill.

Grounds for relief: Wayside pit competition.

Schedules filed containing proposed rates: IC RR. tariff I. C. C. No. A–11687, Supp. 5.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing,

upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] GEORGE W. LAIRD, *Acting Secretary.*

[F. R. Doc. 52-12902; Filed, Dec. 5, 1952; 8:46 a. m.]

[4th Sec. Application 27596]

CEMENT FROM NAVARRO, NORTHAMPTON, AND YORK, PA., TO DODGE CITY, KANS.

APPLICATION FOR RELIEF

DECEMBER 3, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: C. W. Boin, Agent, for carriers parties to schedule listed below.

Commodities involved: Cement and related articles, carloads.

From: Navarro, Northampton, and York, Pa.

To: Dodge City, Kans.

Grounds for relief: Rail competition, circuity, grouping, and to apply rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: C. W. Boin, Agent, I. C. C. No. A-850, Supp. 120.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] GEORGE W. LAIRD, *Acting Secretary.*

[F. R. Doc. 52-12903; Filed, Dec. 5, 1952; 8:46 a. m.]

[4th Sec. Application 27597]

LIME FROM SOUTHERN POINTS TO FLORIDA

APPLICATION FOR RELIEF

DECEMBER 3, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below.

Commodities involved: Lime, common, hydrated, quick or slack, carloads.

From: Points in southern territory.

To: Points in Florida.

Grounds for relief: Rail competition, circuity, grouping, and to apply rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. No. 1345.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] GEORGE W. LAIRD, *Acting Secretary.*

[F. R. Doc. 52-12904; Filed, Dec. 5, 1952; 8:46 a. m.]

[4th Sec. Application 27598]

LESS THAN CARLOAD TRAFFIC IN CONTAINERS FROM MISSOURI AND KANSAS TO MISSOURI KANSAS AND NEBRASKA

APPLICATION FOR RELIEF

DECEMBER 3, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: Missouri Pacific Railroad Company and Missouri Pacific Railroad Corporation of Nebraska.

Commodities involved: Less than carload shipments of freight, in containers furnished by the carriers.

Between: Kansas City, Mo.-Kans., and St. Joseph, Mo., on the one hand, and stations in Kansas and Nebraska, on the other.

Grounds for relief: Competition with motor carriers.

Schedules filed containing proposed rates: MoPac RR. tariff I. C. C. No. A-10360.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] GEORGE W. LAIRD, *Acting Secretary.*

[F. R. Doc. 52-12905; Filed, Dec. 5, 1952; 8:46 a. m.]

[4th Sec. Application 27599]

BALTIMORE STEAM PACKET COMPANY CLASS RATES BETWEEN POINTS IN EAST, SOUTHEAST, AND THE SOUTH

APPLICATION FOR RELIEF

DECEMBER 3, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: W. J. Gray, Agent, on behalf of the Baltimore Steam Packet Company and carriers parties to the schedule listed below.

Involving: Class rates over routes partly by rail and partly by water differentially related to docket 28300 all-rail rates.

Territory: From Kentucky, North Carolina, Tennessee, Virginia, and West Virginia to Baltimore, Md., and from stations in Maryland and Virginia, also from Baltimore, Md., on traffic originating at interior points to destinations in official territory.

Grounds for relief: Rail competition, circuity, grouping, and to apply rates made with relation to all-rail rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: W. J. Gray, Agent, I. C. C. No. 305.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] GEORGE W. LAIRD, *Acting Secretary.*

[F. R. Doc. 52-12906; Filed, Dec. 5, 1952; 8:47 a. m.]

[4th Sec. Application 27600]

BALTIMORE STEAM PACKET COMPANY CLASS RATES FROM MARYLAND AND VIRGINIA TO WESTERN TRUNK-LINE TERRITORY

APPLICATION FOR RELIEF

DECEMBER 3, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: W. J. Gray, Agent, and C. J. Hennings, Alternate Agent, on behalf of the Baltimore Steam Packet Company and carriers parties to the schedules listed below:

Involving: Class rates over routes partly by rail and partly by water differentially related to docket 28300 all-rail rates.

Territory: From points in Maryland and Virginia, also from Baltimore, Md., on traffic originating at interior points, to destinations in western trunk-line territory.

Grounds for relief: Rail competition, circuity, grouping, and to apply rates made with relation to all-rail rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: W. J. Gray, Agent, I. C. C. No. 306; C. J. Hennings, Alternate Agent, I. C. C. No. A-3967.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] GEORGE W. LAIRD,
Acting Secretary.

[F. R. Doc. 52-12907; Filed, Dec. 5, 1952; 8:47 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

[Vesting Order 19078]

ARTHUR DIETZEL ET AL.

In re: Securities owned by Arthur Dietzel and others.

Under the authority of the Trading With the Enemy Act, as amended, (50 U. S. C. App. and Sup. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR 1943 Cum. Supp.; 3 CFR 1945 Supp.); Executive Order 9788 (3 CFR 1946 Supp.) and Executive Order 9989 (3 CFR 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Arthur Dietzel, whose last known address is Leipzig 27, Lausitzerstr. 51, Germany, on or since December 11, 1941, and prior to January 1, 1947, was a resident of Germany and is, and prior to January 1, 1947, was a national of a designated enemy country (Germany);

2. That Stillhaltekommissar, the last known address of which is Abwicklungsstelle in den Westgebieten, Bad Nauheim, Germany, is a corporation, partnership, association, or other business organization which on or since December 11, 1941, and prior to January 1, 1947, was organized under the laws of and had its principal place of business in Germany and is, and prior to January 1, 1947, was a national of a designated enemy country (Germany);

3. That the personal representatives, heirs, next of kin, legatees and distributees of Albert Timpe, deceased, and of Elisa Maria Sommer, also known as Elisa Maria von Caimero Sommer, deceased, who there is reasonable cause to believe on or since December 11, 1941, and prior to January 1, 1947, were residents of Germany, are, and prior to January 1, 1947, were nationals of a designated enemy country (Germany);

4. That the person who owns the property referred to in subparagraph 6 hereof, who if an individual there is reasonable cause to believe on or since December 11, 1941, and prior to January 1, 1947, was a resident of Germany and which, if a partnership, corporation, association or business organization there is reasonable cause to believe on or since December 11, 1941, and prior to January 1, 1947, was organized under the laws of or had its principal place of business in Germany, is and prior to January 1, 1947, was a national of a designated enemy country (Germany);

5. That the property described as follows:

a. Ten (10) shares of $100 par value 6 percent cumulative preferred stock of Brazil Railway Company, a corporation organized under the laws of the State of Maine, evidenced by certificates numbered 6413 and 7172 for 5 shares each, registered in the name of and owned by Arthur Dietzel, said certificates presently in the custody of the Attorney General of the United States, together with all declared and unpaid dividends thereon,

b. Two (2) Brazil Railway Company 6 percent 1913-23 Bearer Notes numbered A209,073/4, said notes owned by Arthur Dietzel and presently in the custody of the Attorney General of the United States, together with all rights thereunder and thereto,

c. Two (2) Brazil Railway Company Secured Debentures numbered 6448/9 issued in bearer form, said debentures owned by Stillhaltekommissar and presently in the custody of the Attorney General of the United States, together with any and all rights thereunder and thereto,

d. Six (6) Brazil Railway Company Secured Debentures numbered 5687/92 issued in bearer form, said debentures owned by Stillhaltekommissar and presently in the custody of the Attorney General of the United States, together with any and all rights thereunder and thereto,

e. One (1) Certificate for Pool Rights, numbered 46, issued by Great Verde Extension Syndicate, Jerome, Arizona, for 1,000 shares of 25 cents par value of the Great Verde Extension Copper Company, said certificate owned by the personal representatives, heirs, next of kin, legatees and distributees of Albert Timpe, deceased, and presently in the custody of the Attorney General of the United States, together with any and all rights thereunder and thereto,

f. Two thousand three hundred eighty-nine (2,389) shares of Class A stock of The Realization Company, Reno, Nevada, a corporation organized under the laws of the State of Nevada, evidenced by certificate numbered 1416, registered in the name of Albert Timble, owned by the personal representatives, heirs, next of kin, legatees and distributees of Albert Timpe, deceased, and presently in the custody of the Attorney General of the United States, together with all declared and unpaid dividends thereon,

g. One thousand (1,000) shares of capital stock of Esperanza Exploration Company, a corporation organized under the laws of the State of Arizona, evidenced by certificate numbered 11, registered in the name of Albert Tempe, said certificate owned by the personal representatives, heirs, next of kin, legatees and distributees of Albert Timpe, deceased, and presently in the custody of the Attorney General of the United States, together with all declared and unpaid dividends thereon, and

h. Thirteen (13) warrants of the Argentine Railway Company, Portland, Maine, numbered B78049/61 each for 1 share of $100.00 par value common stock of the aforesaid Company, said warrants issued in bearer form, owned by the personal representatives, heirs, next of kin, legatees and distributees of Elisa Maria Sommer, also known as Elisa Maria von Caimero Sommer, deceased, and presently in the custody of the Attorney General of the United States, together with any and all rights thereunder and thereto,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by the aforesaid nationals of a designated enemy country (Germany);

6. That the property described as follows: Eleven (11) The Cuba Railroad Company First Mortgage 5 Percent Fifty Year Gold Bonds, numbered 1019, 1958, 2304, 2526, 2528, 2584, 4982, 6804, 8699, 11,045, and 13,633, each of $1,000 face value and presently in the custody of the Attorney General of the United States, together with any and all rights thereunder and thereto,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the person referred to in subparagraph 4 hereof, the

aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

7. That the national interest of the United States requires that the persons named in subparagraphs 1 and 2, and referred to in subparagraphs 3 and 4, be treated as persons who are and prior to January 1, 1947, were nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 3, 1952.

For the Attorney General.

[SEAL] ROWLAND F. KIRKS,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52-12937; Filed, Dec. 5, 1952; 8:51 a. m.]

[Vesting Order 19079]

HANS DOLLINGER ET AL.

In re: Securities owned by Hans Dollinger and others.

Under the authority of the Trading With the Enemy Act, as amended (50 U. S. C. App. and Sup. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR, 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That the persons whose names and last known addresses are listed below:

Names and Last Known Addresses

Dr. Arno and Margarete Scheunert, c/o Frl. Monika Reiserer, Muenchen 25, Seefelderstr. 12, Germany.

Grafin Therese von Bruhl, Gut Holzen bei Ebenhausen/Isar, Germany.

Hans Dollinger, Unterweessen 36, b., Marquartstein, Germany.

Vormundschaft Julie Soloviev, c/o Carl Hocker, Coburg, Germany.

Christine Schoeffel, Marktredwitz, Markt 56, Germany.

Karl Hassel, Nuernberg, Fleischbruecke 1, Germany.

on or since December 11, 1941, and prior to January 1, 1947, were residents of Germany and are, and prior to January 1, 1947, were nationals of a designated enemy country (Germany);

2. That the property described as follows:

a. Three hundred (300) shares of $10.00 par value common stock of The Brazilian Hardwood Corporation, a corporation organized under the laws of the State of Maine, said certificates numbered 70/75 for 50 shares each, registered in the name of Arno Scheunert, presently in the custody of the Attorney General of the United States and owned by Dr. Arno and Margarete Scheunert, together with all declared and unpaid dividends thereon,

b. Fifty (50) Brazil Railway Company, Portland, Maine, Secured Debentures, numbered 7116/65 and issued in bearer form, said debentures presently in the custody of the Attorney General of the United States and owned by Grafin Therese von Bruhl, together with any and all rights thereunder and thereto,

c. Fifty (50) Brazil Railway Company, Portland, Maine, Secured Debentures, numbered 8965/9014 and issued in bearer form, said debentures presently in the custody of the Attorney General of the United States and owned by Grafin Therese von Bruhl, together with any and all rights thereunder and thereto,

d. Two (2) Union Pacific Railroad Company First Mortgage Railroad and Land Grant 4 percent Gold Bonds, numbered M45383 and M51816, of $1,000.00 face value each, said bonds presently in the custody of the Attorney General of the United States and owned by Hans Dollinger, together with any and all rights thereunder and thereto,

e. One (1) Whiting Manufacturing Company Twenty Year 6 percent Mortgage Gold Bond, numbered 464B, said bond presently in the custody of the Attorney General of the United States and owned by Vormundschaft Julie Soloviev, together with any and all rights thereunder and thereto,

f. One thousand (1,000) shares of no par value stock of Consolidated American Royalty Corporation, a corporation organized under the laws of the State of Delaware, evidenced by certificates numbered C3290/94 for 200 shares each, registered in the name of and owned by Christine Schoeffel, said certificates presently in the custody of the Attorney General of the United States, together with all declared and unpaid dividends thereon,

g. One (1) Missouri Pacific Railroad Company First and Refunding Mortgage 5 percent Gold Bond, Series I, numbered M57253 of $1,000 face value, said bond presently in the custody of the Attorney General of the United States and owned by Karl Hassel, together with any and all rights thereunder and thereto,

h. One (1) 500 Fifth Avenue, Inc. First Mortgage Leasehold 6½ Percent Sinking Fund Gold Bond, numbered D1074, of $500.00 face value, said bond presently in the custody of the Attorney General of the United States and owned by Karl Hassel, together with any and all rights thereunder and thereto,

i. One (1) 500 Fifth Avenue, Inc. First Mortgage Leasehold 6½ Percent Sinking Fund Gold Bond, numbered M5861 of $1,000 face value, said bond presently in the custody of the Attorney General of the United States and owned by Karl Hassel, together with any and all rights thereunder and thereto,

j. Four (4) coupons detached from 500 Fifth Avenue, Inc. First Mortgage Leasehold 6½ Percent Sinking Fund Gold Bond, numbered D1074, said coupons numbered 22/25 of $16.25 face value each, presently in the custody of the Attorney General of the United States and owned by Karl Hassel, together with any and all rights thereunder and thereto, and

k. Four (4) coupons detached from 500 Fifth Avenue, Inc. First Mortgage Leasehold 6½ Percent Sinking Fund Gold Bond, numbered M5861, said coupons numbered 22/25, of $32.50 face value each, presently in the custody of the Attorney General of the United States and owned by Karl Hassel, together with any and all rights thereunder and thereto,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That the national interest of the United States requires that the persons identified in subparagraph 1 hereof, be treated as persons who are and prior to January 1, 1947, were nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 3, 1952.

For the Attorney General.

[SEAL] ROWLAND F. KIRKS,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52-12938; Filed, Dec. 5, 1952; 8:51 a. m.]

[Vesting Order 19080]

JOHANNA LUHRS

In re: Bank account owned by Johanna Luhrs. F-28-32005-E-1.

Under the authority of the Trading With the Enemy Act, as amended (50 U. S. C. App. and Sup. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Johanna Luhrs, whose last known address is Langener Land Strasse

No. 6 A., Wesermunde, Bezirk Lehe, Province Hannover, Germany, on or since December 11, 1941, and prior to January 1, 1947, was a resident of Germany and is, and prior to January 1, 1947, was a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation of the Lincoln Savings Bank of Brooklyn, 531 Broadway, Brooklyn 6, New York, arising out of a savings account, entitled Johanna Luhrs, maintained with the aforesaid Bank, together with all rights to demand, enforce and collect the same,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Johanna Luhrs, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That the national interest of the United States requires that the person identified in subparagraph 1 hereof, be treated as a person who is and prior to January 1, 1947, was a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 3, 1952.

For the Attorney General.

[SEAL] ROWLAND F. KIRKS,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 52-12939; Filed, Dec. 5, 1952; 8:51 a. m.]